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Japan

Kaifu: 'No Change' to Scheduled Mideast Visit

OW0908051190 Tokyo KYODO in English 0416 GMT 9 Aug 90

[Text] Nagasaki, Aug. 9 (KYODO)—Prime Minister Toshiki Kaifu on Thursday said, "there is no change in my scheduled visit to the Middle East," in a press conference in Nagasaki following a memorial service of the atomic bombing.

Kaifu also said,"I would like to make further efforts to prevent disputes (in the Middle East) when the world is trying to secure peace there." Kaifu is scheduled to leave Japan on August 15 to visit Turkey, Saudi Arabia, Oman, Jordan, and Egypt and will return home on August 27.

Further on Kaifu's Comments

OW0908064290 Tokyo KYODO in English 0600 GMT 9 Aug 90

[Text] Tokyo, Aug. 9 (KYODO)—Prime Minister Toshiki Kaifu said Thursday he will visit the Middle East as scheduled next week and condemned the Iraqi annexation of Kuwait as "intolerable."

"At a time when the world is striving for peace, (the Iraqi move) is intolerable," Kaifu said at a press conference in Nagasaki following a memorial service for victims of the atomic bombing of the city. Thursday was the 45th anniversary of the World War II bombing. Kaifu demanded the immediate withdrawal of Iraq, which invaded its tiny oil-rich neighbor on August 2. Iraq announced on Wednesday that it has annexed Kuwait.

Kaifu, who is scheduled to leave Japan on August 15 for a 13-day tour of Turkey, Saudi Arabia, Oman, Jordan, and Egypt, said, "There is no change in my scheduled visit to the Middle East."

But a government source close to Kaifu said the trip will be canceled if war breaks out between Iraq and Saudi Arabia, or if one of the five countries declares a state of emergency. The government will make its final decision on the trip after seeing the outcome of an Arab summit meeting to be held Thursday, the source said.

A senior Foreign Ministry official said Wednesday night Kaifu may have to call off the trip if his presence is required in Tokyo to handle emergencies involving the protection of about 650 Japanese nationals stranded in Kuwait and Iraq.

Import Ban Against Iraq, Kuwait Takes Effect

OW0908075090 Tokyo KYODO in English 0554 GMT 9 Aug 90

[Text] Tokyo, Aug. 9 KYODO—Japan officially banned imports from Iraq and Kuwait on Thursday as part of trade and investment sanctions being imposed in retaliation for Baghdad's invasion of Kuwait a week ago.

The Ministry of International Trade and Industry (MITI) said imports of oil and all other cargoes originating from Iraq and Kuwait now require approval by the MITI minister, in effect banning such imports. The measure does not apply to goods that were loaded for shipment to Japan on and before Wednesday.

Legal preparations are also under way to impose next Tuesday an embargo on exports to Iran and Kuwait, MITI officials said.

Japan announced the sanctions Sunday. The U.N. Security Council voted Monday to impose economic sanctions on the Arab nation and the Baghdad-installed government in Kuwait.

Ministry Says 648 Japanese in Iraq, Kuwait

OW0908064990 Tokyo KYODO in English 0624 GMT 9 Aug 90

[Text] Tokyo, Aug. 9 (KYODO)—The Foreign Ministry said Thursday 372 Japanese nationals are now in Iraq and another 276 in Iraqi-occupied Kuwait. The ministry reported that 246 of the 276 Japanese in Kuwait are currently housed safely in the Japanese Embassy in the capital, staying in the embassy's hall and conference rooms.

It also confirmed that four oil company workers and their families, including nine women and 17 children, are safe. But the ministry said it has been unable to locate the whereabouts of a 49-year-old trading firm executive.

The Japanese in Kuwait have been venturing out into the city during the day to purchase food and other sundries, the ministry reported.

The ministry said of the 372 Japanese currently in Iraq, 307 are residents there, 23 are tourists, and the rest on business. It said 18 Japanese tourists who left Baghdad by bus Wednesday afternoon arrived safely in the Jordanian capital of Amman Thursday afternoon.

Late Wednesday, four Japanese students confined briefly in Baghdad arrived without incident in Amman. The Japanese in Kuwait include 60 women and 53 children, and those in Iraq 51 women and 36 children, the ministry reported.

Experts To Study Aid for Chernobyl Victims

OW0308023890 Tokyo KYODO in English 1501 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—A team of Japanese experts on treatment of nuclear-related diseases will leave here for Moscow next week to study a formula for a 5 billion yen medical aid program for victims of the Chernobyl nuclear accident four years ago. The Sasakawa Health Cooperation Foundation is sending the nine-member study mission at the invitation of the All-Soviet Central Council of Trade Unions. Headed by Yohei Sasakawa, president of the foundation, the team will include Itsuzo Shigematsu, president of the Radiation Effect Research Institute, and Atsushi Karamoto, director at the Hiroshima University Institute of Atomic Bomb Radiation Therapy.

They will tour Moscow, Minsk, and Kiev on a 10-day visit to monitor health damage to residents of those areas from the 1986 meltdown accident at a Chernobyl Nuclear Plant in the Ukraine, the foundation said. The team leaves Tokyo on Wednesday next week. Even four years after the nuclear disaster, medical treatment is far below par due to the shortage of medical equipment and facilities, foundation officials said. Talks to be held with Soviet Health Ministry officials will address ways in which the foundation can help provide medical assistance for the nuclear disaster victims, they said. The foundation plans to set up two clinics and arrange a dozen vehicles for circuit medical checkups and send several doctors at a total budget of 5 billion yen over a five-year period, the officials said.

Kanemaru To Propose Offices in Tokyo, Pyongyang

OW0208021390 Tokyo KYODO in English 0129 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—Former Deputy Prime Minister Shin Kanemaru will propose the opening of liaison offices in Tokyo and Pyongyang as a first step in the normalization of bilateral relations when he visits North Korea in September, a Japanese newspaper reported Thursday. In an interview with the ASAHI SHIMBUN, Kanemaru also said he envisioned for the future an "Asia-Pacific community," similar to the European endeavor scheduled to be realized in 1992, and said he will discuss the idea with Chinese officials during a visit to Beijing in late August. Kanemaru, who will head a high-powered Liberal Democratic Party (LDP) delegation to Pyongyang in September, said he hopes progress will be made toward winning the release of two Japanese seamen imprisoned for alleged spying by the North Koreans in 1983. He told the newspaper, however, "We cannot just tell them (the North Koreans) our wishes while ignoring their own."

Kanemaru and the other Japanese officials plan to discuss the improvement of relations with North Korea, which is seeking an apology for Japan's 1910-1945 colonial rule of the peninsula and economic cooperation. "The core of my work is the establishment of liaison offices in Japan and in North Korea," said Kanemaru, adding that setting up the offices would allow fully for contacts between the two nations that have never had diplomatic relations. Kanemaru emphasized that Japan must apologize to North Korea, as it did to South Korea in May during the Tokyo visit of President No Tae-u, for Japan's colonization of the Korean peninsula. He also added that economic cooperation with Pyongyang should "naturally" take the same form as with Seoul. Kanemaru, long a pro-Taiwan advocate among Japanese lawmakers, will be making his first visit to Beijing later this month and then to Pyongyang in September. Noting the improved economic relations between China and Taiwan, Kanemaru said he would like to discuss the future of an "Asia-Pacific community" with Chinese leaders.

Loan Agreement With Pakistan Signed 7 Aug

OW0708120390 Tokyo KYODO in English 0715 GMT 7 Aug 90

[Text] Islamabad, Aug. 7 KYODO—Japan agreed Tuesday to provide Pakistan with fresh loans totaling 41,633 million yen for the construction of a highway linking two major cities and the expansion of its telecommunications network. The money was pledged in two separate agreements signed in Islamabad on Tuesday morning by Japanese Ambassador Shunji Kobayashi and Secretary of Economic Affairs K.M. Chima.

Under the first agreement, 20,778 million yen will be used for the construction or improvement of a 567-kilometer highway linking the port city of Karachi with Peshawar, near the northern border with Afghanistan. Japan provided 8,516 million yen for a feasiblity study for the project and improvement of a 216-kilometer stretch of the existing highway last year. A Japanese company, Pacific Engineering Co., has been appointed as consultant for the preparation of the feasibility study and tender documents of the project, officials said. Under the second agreement, the remaining 20,855 million yen will be made available to a state-owned telegraph and telecommunications company for six of its development projects relating to optical fiber cables and digital microwave links on subsidiary telecommunications routes.

LDP Official Urges Agriculture Policy Review

OW0808143390 Tokyo KYODO in English 1319 GMT 8 Aug 90

[Text] Tokyo, Aug. 8 KYODO—Toshio Yamaguchi, a senior official of the ruling Liberal Democratic Party (LDP), called Wednesday for a drastic review of Japan's agricultural policy, describing it as "anachronistic and irrational."

"The rice problem is only part of the whole problem of Japan's agricultural policy," said Yamaguchi, who chairs an LDP special panel for economic policy coordination, told reporters. Yamaguchi, under fire from other LDP officials for his remarks backing partial liberalization of Japan's rice market, blamed farmers' cooperatives for their heavy dependence on government support.

"Farmers cooperatives should be streamlined just like the defunct Japanese National Railways (currently the privatized Japan Railways Group)," Yamaguchi said. He also called for a reduction in the number of rice examiners who number more than 6,000 around the country. "No food other than rice needs such a number of examiners despite the fact that rice accounts for only 10 percent of calorie intake by human beings," he said.

He also repeated his support of partial lifting of Japan's rice import ban, saying Japanese rice is competitive enough even if the market is opened. Partial liberalization, he contended, will also contribute to the success of the Uruguay round of multilateral trade liberalization talks, of which Japan is one of the biggest beneficiaries.

Extremists Suspected of Burning Shinto Shrines

OW3107021390 Tokyo KYODO in English 0121 GMT 31 Jul 90

[Text] Nara, July 31 KYODO—Extremists opposed to the November imperial enthronement ceremonies for Emperor Akihito may have set fire to three Shinto shrines in Nara Prefecture which burned to the ground early Tuesday, police said. The three shrines, said to have had close connections with the imperial family in the mythological age, are located in Kashihara, Yamatotakada, and Goze.

No injuries from the blazes were reported, police said, but they added that they found several batteries and leads which could have been used to trigger fire bombs at the Murohachiman Shrine in Goze and the Musani Shrine in Kashihara. Of the three ancient shrines, the "Iwasononi Masu Taku Mushitama" Shrine in Yamatotakada incurred the most damage when 170 square meters of the main building and the hall of worship were destroyed.

No one has claimed responsibility for attacks, police said, but several extremist groups, including the Chukakuha (Middle Core Faction), oppose the November ceremonies to enthrone Emperor Akihito because they view the rites as a move to deify the emperor. Chukakuha claimed credit for an arson attack which destroyed a Shinto shrine in Akita, northwestern Japan, earlier in July.

Economic Planning Agency Releases 1990 Paper

OW0708063690 Tokyo KYODO in English 0210 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—The Japanese economy is likely to continue growing robustly into the foreseeable future, though increasingly confronted with problems within Japan associated with strong growth, and by a bewildering array of problems abroad, according to a White Paper for fiscal 1990 released Tuesday by the Economic Planning Agency (EPA). Within Japan, an increasingly severe labor shortage, and upward pressure on prices for land, labor, and many commodities, reflect problematic consequences of the 44 straight months of economic growth through July, said the EPA in its annual state-of-the-economy report. Internationally, a slowdown in the growth rate of the world economy, a steady increase in international interest rates, and troubling signs of a drift toward protectionism in some nations or toward exclusive trading blocs in some regions, all are cause for concern. Still the vigor of the nation's industries and underlying competitive strength of the national economy point toward the likelihood of the economy continuing to grow, potentially surpassing the record 57 months of consecutive growth posted in the latter 60s, according to the massive 471-page report approved by the Cabinet Tuesday morning. The White Paper was written prior to the Iraqi invasion of Kuwait, and thus does not include an assessment of the effects of that event on international oil prices, interest rates and inflation, and their effect in turn on the Japanese economy.

Shousuke Tanaka, director general of the EPA Research Bureau, said while briefing the press on the report, "even if the Middle East unrest was taken into account, the basic strength of Japan's economy might stay unchanged." Quoting a hypothetical calculation by the EPA, Tanaka said Japan's consumer price would be pushed up only by 0.1 percent if crude oil prices were raised by 10 percent. The report concluded there was little likelihood of any profound slowdown in the national economy in the foreseeable future after analyzing three potential threatening scenarios.

Case one examined the potential for a substantial decline in domestic capital spending, a key factor in current growth, as a result of productive capacity exceeding demand. The EPA noted that capital spending in fiscal 1989 was concentrated not in expanding productive capacity, but in upgrading that capacity: spending centered on research and development, and on automating manufacturing operations to cope with the worsening national labor shortage. Moreover, the report noted that the ratio of inventory buildups remained at relatively low levels, thus indicating no imminent danger of investment in productive capacity exceeding demand.

Case two examined the possibility of the Bank of Japan being forced to jack up interest rates if the economy should overheat and experience an explosive cycle of wage-price increases. Although noting that inflationary forces exist due to the upward pressure on wages exerted by the labor shortage and by troubling double-digit growth in the money supply in recent months, such pressure remains within tolerable limits, the EPA believes. It noted annual wage increases remain moderate, and upward pressure on prices has been minimized by the stronger yen, which has made imports cheaper.

As for the third negative scenario, the White Paper assessed the impact of such troubling external factors as rising international interest rates and fears of growing protectionism. Expressing guarded optimism, the EPA suggested upward pressure on global interest rates would be contained by the two countries capable of causing a big run-up in rates: West Germany, by effectively managing its monetary union with East Germany, and the United States. The drift toward protectionism abroad can best be averted, the EPA said in the most politically charged section of its report, by bringing the Uruguay Round of international trade talks to a successful conclusion.

The talks, held under the auspices of the General Agreement on Tariffs and Trade (GATT), are due to finish in December after four years, but have come to virtual standstill over the issue of trade in agricultural products. Japan is under immense pressure to open its markets more fully to agricultural imports, including rice. In reviewing the economy's performance in fiscal 1989, which ended March 31, the EPA noted the nation's gross national product (GNP) posted inflation-adjusted growth of 5.0 percent. The increase in GNP, a measure of the total value of goods and services produced by a nation, reflected a slight slowdown from the 5.3 percent growth posted in fiscal 1988 and 5.4 percent increase in fiscal 1987. Underpinning this growth was the fact the world economy continued to expand for the seventh straight year, and more particularly the steady expansion in the United States and Europe, and the "dynamic development" in many key Asian nations.

Benefiting from such external conditions, Japan's exports in fiscal 1989 increased 2.6 percent, although down from 5.9 percent the preceding year. Imports increased by 5.8 percent following a 13.8 percent growth in a year earlier.

The slowdown in export growth has heightened the importance of increased domestic demand in fueling overall economic growth. Surging domestic demand contributed 5.7 percentage points to the growth in GNP—the third consecutive year the domestic component has accounted for 5 percentage points or more, the EPA said. Much of the increase in domestic demand is attributable to corporate capital investment, which increased 16.5 percent in fiscal 1989 following a 17.3 percent jump the previous year. Housing construction, another big component of domestic demand, remained strong, with new housing starts totaling 1.67 million units, up slightly from 1.66 million units the year before.

Reflecting the connection between the strength of demand and the tightening labor market, overtime hours increased 0.6 percent, even after a 5.6 percent rise the previous year. And although 680,000 women workers joined the work force, in addition to some 400,000 new male workers, the ratio of job offers to job seekers rose to 1.3 in fiscal 1989, its highest level since 1973.

Despite the labor shortage, prices remained relatively stable, the EPA report said. The domestic wholesale price index rose a moderate 2.6 percent, compared to a 0.5 percent decline in fiscal 1988, while the consumer price index rose just 2.9 percent, after inching up 0.8 percent the previous year. Wages in fiscal 1989 increased by an average 4.8 percent, compared to an average rise of 4.2 percent the year before. The nation's current account surplus in fiscal 1989 narrowed to 7.64 trillion yen from 9.90 trillion yen in fiscal 1988, and 11.69 trillion yen the preceding year. The ratio of the 1989 figure to GNP shrank to 1.9 percent from 2.7 percent in fiscal 1988. The so-called "triple decline" this spring in the value of stocks, bonds, and of the yen caused no serious long-term damage, according to the EPA White Paper.

The declines, combined with several hikes in the nation's trend-setting official discount rate, did put an end to an era of "cheap money" in Japan, during which interest rates fell to their lowest level ever. But in view of the wild, unchecked run-up in real estate values in particular, the ratcheting upward of interest rates on balance had a soothing, beneficial effect on the economy, the EPA said. The moderate increase contributed to stabilizing prices, thereby helping the boom to go on.

The weakening yen could have been a problem, if it led to a surge in import costs touching off a rise in prices throughout the economy, and if it caused companies to cut corporate capital spending. But neither danger materialized, essentially because the yen's decline was moderate and short-lived. Looking toward the future, as problems that Japan should tackle, the EPA stressed the dangers associated with the widening gap in real estate assets between the haves and have-nots, and the need to narrow the yawning gap between prices in Japan and overseas.

At the end of 1988, the value of land assets held by Japanese households totaled 1,198 trillion yen, up over 100 percent in just five years, according to the EPA. As most people's real estate holdings are limited to their homes if they own land at all, only 10.7 percent of households were in a position to benefit by buying and selling land. The EPA warned the effects on have-nots of sky-high land prices—despair over ever being able to afford to buy a home—could eventually harm their will to work, and could damage the national economy.

On the price-gap issue, the EPA, quoting from data compiled by the Organization for Economic Cooperation and Development (OECD), noted that prices in Japan are 35 percent higher than in the United States, 34 percent higher than in Britain, and 10 percent higher than in France. The gap has narrowed in recent years, but largely due to the strengthening of the yen, the EPA noted in calling for more fundamental efforts to narrow disparities in prices to distribute the benefits of affluence more widely among the Japanese.

The EPA thus called for further efforts to ease market regulations and to open the Japanese market to free trade and competition. Japan's economy is now at a level that the country can, and should, do more to share its affluence with the world, the EPA urged. It noted opening the market and providing economic opportunities to foreign trading partners do not conflict with serving the interest of Japanese, as this will help narrow price disparities between Japan and abroad, and spread the benefits of affluence throughout Japanese society.

Finance Ministry To Postpone NTT Share Sale

OW0108113690 Tokyo KYODO in English 1121 GMT 1 Aug 90

[Text] Tokyo, Aug 1 KYODO—The Finance Ministry is considering postponing the release of more government-held shares in Nippon Telegraph and Telephone Corporation [NTT] in fiscal 1990, ending next March 31, ministry sources said Wednesday. They said the reason for the move is that the price of NTT shares fell below Y1 million last week, and also that it will be possible to smoothly implement the fiscal 1990 budget without additional revenue from NTT stock sales.

The ministry sold 1.95 million NTT shares in fiscal 1986, 1.95 million shares in fiscal 1987, and an additional 1.5 million shares in fiscal 1988. NTT stock hit a record high of Y3.18 million in April 1987, soon after the corporation was listed on the Tokyo Stock Exchange.

The popularity of NTT stock has declined, however, amid reports that the government plans to is inclined on foreign ownership of the stock. The sources said the ministry decided to postpone the sale of NTT shares this year because the stock price is unlikely to recover in the near future.

Interest Deregulation Would Raise Capital Costs

OW0708133690 Tokyo KYODO in English 1233 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—Total deregulation of interest rates would push up capital costs by 0.29 percent and boost the annual yield payments by Japanese financial institutions by 1,353.9 billion yen, according to a report released by a major commercial bank Tuesday. The report, compiled by Tokai Bank, said the increase in yield payments equals some 30 percent of all the pretax profits of Japan's 12 commercial banks, regional banks, the so-called second regional banks, and credit unions in fiscal 1989 ended March 31.

To cover the income decline, the report calculated, banks would need to raise their interest rates on loans by around 0.33 percent. The report also said if rates are liberalized in 1991, Japan's economic growth in 1992 would be 0.3 percent lower than it would be without deregulation, hurt by the dampening effect of higher interest rates on corporate spending and personal housing purchases. Based on the estimation, the bank concluded that any rate deregulation should be implemented slowly and on a step-by-step basis. In order to keep the shock to the economy to the minimum, the bank also proposed delaying liberalization of interest rates on time deposits to 1993 and that of market-linked rates to 1995.

Consumer Confidence Rises as Economic Fears Ease

OW0708104590 Tokyo KYODO in English 0857 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—Recovering confidence in the domestic economy led Japanese consumers to feel their living standard has picked up in the second quarter this year, according to a government survey released Tuesday. The Economic Planning Agency (EPA) said in its quarterly report that its index of consumer confidence rose 0.9 percent from the previous quarter to a seasonally-adjusted 47.2 percent in the April-June quarter.

The figure follows a 1.8 percent drop in the January-March period, the first decline in three straight quarters. The downturn was caused by growing uncertainties over the Japanese economy due to the slump in financial markets early this year and rising interest rates, it said. The EPA's latest survey is the result of a questionnaire circulated in mid-June to 5,040 households nationwide, to which virtually all replied.

The survey, conducted on a quarterly basis since 1982, is aimed at gauging basic consumer sentiment in 20 areas such as income growth, interest burdens, employment, and purchasing behavior, as well as tracking spending on durable goods. Out of the 20 categories, 16 fields showed improvement over the previous quarter in the April-June period, compared with 10 in the January-March period and 16 in the October-December quarter last year.

Despite a general sense that living standards have improved, Japanese consumers remained dissatisfied with the heavy burden of interest rate payments on loans and the low level of disposable income, it said. Between April and June purchases of 16 durable goods showed year-on-year gains, including autos, microwave ovens, and golf sets. However, sales of 17 items like video cassette recorders and refregerators dropped. Purchases of five other items remained unchaged. For the July-September quarter, Japanese households showed an increasing appetite for camcorders, rugs, airconditioners, but were less interested in vacuum cleaners, automobiles, washing machines and VCRs, it said.

Agency Recommends Increase in Government Wages

OW0708104390 Tokyo KYODO in English 0844 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—The National Personnel Agency (NPA) on Tuesday recommended an average 3.67 percent or 10,728 yen monthly wage increase for central government employees during fiscal 1990, NPA officials said. The officials said the NPA made the recommendation to the government and the Diet to raise the rate retrospective to April 1. The 3.67 percent increase is up 0.56 percentage point from the previous fiscal year's wage increase rate, and the rising rate reflects the average 5.95 percent increases in monthly wages in the private sector, the officials said.

Wages of government employees will increase from an average of 291,949 yen for fiscal 1989 to 302,677 yen for fiscal 1990 if the recommendation of the NPA is implemented, the officials said. The government will decide in the autumn whether or not to implement the recommendation and is expected to allocate 550 billion yen to finance the wage increase, the officials said. If the government implements the NPA's recommendations on wage increases without asking for a revision, it will be the fifth year in a row for it to do so, the officials said.

The starting monthly wages of university graduates who are expected to eventually assume higher career posts in government service have been set at 157,300 yen, an increase of 7.3 percent over fiscal 1989 that ended March 31, 1990. The NPA recommended the higher starting rate for university graduates because more and more young persons are tending to stay away from government jobs, the officials said. As for year-end bonuses, the agency has recommended that government employees be given bonuses equivalent to 5.35 months wages, the officials said.

The NPA has also urged the government to adopt a 40-hour working week system for government employees in a bid to implement a five-day week system in government offices. It has also proposed a three-day summer vacation for government employees.

Hitachi Sends 40 Gigabits Over Optical Fiber

OW0708131690 Tokyo KYODO in English 1116 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—Hitachi Ltd. said Tuesday it is the first to have transmitted digitally 40 gigabits of information per second over a single strand of optical fiber. A "giga" means one billion, while a bit is a "0" or "1" value used to store or convey information in computers.

Hitachi officials said the transmission signal remained constant over a distance of 40 kilometers. The optical transmission system sent 25 times the amount of information, compared with today's 1.6 gigabit system employed by Nippon Telegraph and Telephone Corp, the company said. Until now, signals have distorted when carrying vast amounts of data over 10 gigabits along a wire. But Hitachi's success will make possible the realization of optical transmission systems which can send volumes of data and video images to households around the year 2000, officials said. Optical fiber, made from sand, is fast replacing copper wire because of its ability to carry vast amounts of data and video images at lightning speeds over telephone wires.

Freon Gas Eliminated in New Soldering Process

OW0808053490 Tokyo KYODO in English 0511 GMT 8 Aug 90

[Text] Tokyo, Aug. 8 KYODO—Fujitsu Ltd. said Wednesday it has jointly developed with a private Tokyo research institute a new soldering technology for printed circuit boards which eliminates the use of freon gas as a cleansing agent. Fujitsu officials said the joint development of the new soldering technology with Riverbond Research Institute will use a new alcohol-based cleansing agent, or flux, rather than freon 113 to promote the joining of metal parts.

Freon gas is made up of chlorofluorocarbons which are said to be responsible for global warming and destroying the earth's ozone layer. Flux is a material used in the joining of metals when soldering. Rosin is widely used in soldering electronic parts in the computer and electronics industries.

The officials said the new soldering process will be tested at one of its office automation plants in Japan later this year.

Mongolia

'Main Points' of Gombosuren Speech on U.S. Ties

OW0808143990 Ulaanbaatar International Service in English 0910 GMT 3 Aug 90

["Main points" of the speech delivered by Mongolian Foreign Minister Gombosuren at a dinner he hosted for U.S. Secretary of State James Baker in Ulaanbaatar on 2 August]

[Excerpt] The current official visit by U.S. Secretary of State Mr. Baker to Mongolia is a striking proof of the rapid growth of the level of mutual understanding between both governments, said Mr. Gombosuren. Its importance is ever greater if we recall that only three years have passed since the establishment of diplomatic relations between Mongolia and the United States of America.

Mr. Gombosuren said that Mongolia highly appreciates the efforts of the present U.S. Administration aimed at promoting bilateral relations. Both sides have exchanged their views on key bilateral issues during the meetings and talks held today and confirmed their readiness to expand and consolidate them in all spheres, he said.

He underlined that the signing of the consular convention and an agreement on cooperation with the U.S. Peace Corps and the initialing of an intergovernmental trade agreement raise the hope that the visit of the U.S. secretary of state will open up new prospects for developing Mongolian-American relations.

Mr. Gombosuren linked the improvement of the Mongolian-American ties with democratic changes taking place in Mongolia and positive changes in the world, especially in East-West relations. He said: Mongolia duly assesses the U.S. contributions to the latter cause.

Mongolian foreign minister underlined the amelioration of the political climate in Asia and adjacent areas but added that no decisive turn to the best had yet occurred.

Mongolia is of the view that constructive activity of the great powers making part of this region in joint efforts of all states are of vital importance for solving such problems as [words indistinct] issues in the region and in the relations between states, relations of the level of trust and mutual understanding, improvement in military-political situation in this region, ensuring ecological balance, elimination of backwardness, and other similar problems of common concern. Proceeding from this he said, in its foreign policy, Mongolia tries to contribute its share to the consolidation of peace and the development of equal relationships in this region; namely, this objective was suggested at our initiative to build up a permanent mechanism of dialogue in the northeastern part of Asia, he said.

The priority object of Mongolia's foreign policy is all-round consolidation of friendship relations with our two great neighbors, the Soviet Union and China. At the same time, I would like to reiterate our resolution to develop and consolidate friendly relations with all states, including the world's power, the U.S.A., regardless of sociopolitical, and other differences, said Mongolian foreign minister Gombosuren. [passage omitted]

Gombosuren, Baker Hold News Conference 3 Aug

OW0808103590 Ulaanbaatar International Service in English 0910 GMT 3 Aug 90

[Report on the news conference held in Ulaanbaatar on 3 August by Mongolian Foreign Minister Gombosuren and U.S. Secretary of State James Baker—portions recorded]

[Text] Next is a report filed from the press conference held on August the 3d in Ulaanbaatar by Mongolian Foreign Minister Gombosuren and U.S. Secretary of State James Baker on the outcome of Mr. Baker's official and friendly visit to Mongolia. Opening it, Mongolian Foreign Minister Gombosuren made a statement.

[Gombosuren, speaking in Mongolian, fading into English translation] First of all I would like to note with satisfaction that the first-ever visit of U.S. secretary of state to Mongolia is some of [as heard] great significance in further development of the Mongol-U.S. bilateral relations—political, economic, trade, and other spheres. Chairman of the Presidium of the People's Great Hural of Mongolia Punsalmaagiyn Ochirbat has had talks with U.S. Secretary of State James Baker during which he thoroughly introduced to our guest the principles of Mongolia's foreign policy, especially the policy concerning the U.S.A.

New-found policy of Mongolia is based on the principle of establishing equal and mutual beneficial relations and cooperation with all countries irrespective of their ideological, political, socioeconomic, and other differences. I would like also to note that our talks and negotiations were held in an open, businesslike, and friendly atmosphere. The official and friendly visit of the U.S. Secretary of State James Baker to Mongolia was planned to be completed on August 5th. To our regret, this visit has to be completed today owing to the circumstances which are connected with the latest grave event in the world—invasion of Kuwait by Iraq. We have exchanged views on international issues of mutual interest, including Kuwait.

I would like to note that Mongolia and the U.S.A. have identical positions on the fact of Kuwait's invasion by Iraq. Mongolia stands for settling any international problems and disputes only by peaceful means, by political dialogue, and rejects any use of force. According to this stand, we resolutely condemn Iraq's actions. We demand immediate withdrawal of Iraq's troops from Kuwait's territory. We believe that the legitimate government of Kuwait must be restored. Mongolian Government will support the measures taken by the world community against Iraq's activity in order to restore the justice.

Then a statement was made by U.S. Secretary of State James Baker.

[Begin Baker recording] Thank you very much. Ladies and Gentlemen: I would like to begin by thanking the Mongolian Government and particularly the foreign minister for their gracious hospitality to us, to our entire delegation during the course of our stay here. We have had two days of very productive discussions, and I have learned a great deal about the plans the government has for moving forward with reform, both political reform and economic reform. I have met as well with opposition leaders, with whom I have stressed the point that the United States will continue to support reform efforts in Mongolia. Of course, in conjuction with free elections, a movement toward a market economy will be necessary to fully integrate Mongolia into the global community. To this end, we have initialed a commercial agreement between our governments. We have also signed both a Peace Corps agreement and a consular convention.

We have come to Mongolia for one simple reason, and that is to help the people and the Government of Mongolia help themselves as they move toward democracy, economic liberty, and full integration into the global political and economic community.

I think that the commitment to genuine reform is real here. The road to genuine reform will not be an easy one, but I hope that our visit here to Mongolia will assist as this government and this people take these purposeful steps forward. I might add, I think a very good example of the results that can flow from the improved relationship between Mongolia and the United States is our joint view just expressed by the foreign minister that Iraq's invasion of Kuwait should be condemned in the strongest terms and that Iraq should immediately withdraw its forces and that the international community should draw together and unmistakably make it clear that it will not tolerate such action. As the foreign minister has just made clear, the governments of Mongolia and the United States are in full agreement with respect to this.

Let me close simply by saying how much my delegation and the people traveling with us regret the fact that we are not going to have an opportunity to visit the Gobi desert and to see some of the truly spectacular scenery of your country, but perhaps the fact that we have had to shorten our trip and cancel a portion of it will give us a good excuse some day to return soon, I hope. [end recording]

After making the statement, both ministers answered the questions put by Mongolian and foreign correspondents.

Answering the question about the talks with Mongolian Foreign Minister Gombosuren, Mr. Baker said:

[Begin recording] [Baker] Back to your first question, we discussed the full range of issues in the meetings that I had with the foreign minister, including all of the bilateral issues between our two countries. We spent our time this morning, however, primarily on intenational issues—issues involving developments in the Asia-Pacific region generally and developments particularly in the relationship between the United States and Soviet Union. My meetings with opposition leaders, my meetings this morning with opposition leaders went very well, I think. Of course, you can get their opinion. You don't have to take it from me. They spoke of the traditions of unity that exist in Mongolia. I congratulated them, as I have the government, on the peaceful transition to democracy that is taking place in Mongolia. They indicated that they shared the view of most foreign observers that the election was generally conducted in a free and fair manner. They were pleased, I think, with the representation that they expect to receive in the Small Hural. They indicated a willingness to have discussions with the ruling party and the government regarding the possibility of the formation of a coalition government.

[Unidentified reporter] And is the understanding in principle on reciprocal MFN [most favored nation] treatment is to acquire a clear-cut definition in the final commercial document and when this, its signing could be expected?

[Baker] The granting of most favored nation's trading status depends upon the existence of a commercial agreement, and it depends upon a country's adopting free immigration laws. We have initialed a trade agreement. I can't give you a specific date for its final signing. We are in the process of continuing our analysis of the immigration laws and practices of Mongolia, but we would like to grant Mongolia most favored nation's trading status as soon as we are satisfied with respect to the question of immigration. [end recording]

Gombosuren Meets Iran's Foreign Ministry Envoy

OW0708114490 Ulaanbaatar International Service in English 0910 GMT 7 Aug 90

[Text] Mongolian Foreign Minister Gombosuren has received a representative of the Foreign Ministry of the Islamic Republic of Iran, Mr. Rashid Mohioddin. During the meeting, Mr. Mohioddin handed over a message from Foreign Ministry of Iran to Mr. Gombosuren.

The document positively estimates the changes going on in the world as well in foreign and home policy of Mongolia and expresses Iran's interest in developing bilateral relations in political, trade, economic, and other spheres.

North Korea

Maneuvering on Rally Continues; Delegates Arrive

South Delegate Comments

SK0808110890 Pyongyang KCNA in English 1021 GMT 8 Aug 90

[Text] Pyongyang August 8 (KCNA)—Hwang Sok-yong, delegate of the South side's promotion headquarters for the pan-national rally, who came to Pyongyang to participate in the rally for peace and reunification of the country was interviewed by home and foreign reporters at Koryo Hotel here today.

He told the reporters that after visiting Pyongyang as a writer when the Rev. [Reverend] Mun Ik-hwan was visiting it in March last year, he did not return to South Korea but went to West Germany via Japan and is now living in West Germany, considering that it would be helpful to the reunification movement if he awakened the South Koreans who have got a prejudice against the northern half of the country due to the anti-communist propaganda and distorted education and gave them good knowledge of the North.

Demanding that the "National Security Law," a stumbling block in the way of reunification, must be scrapped, Hwang Sok-yong said he arrived in the North of the country with the will of Chonminnyon of South Korea.

Writer Welcomed to Rally

SK0808160790 Pyongyang KCNA in English 1545 GMT 8 Aug 90

[Text] Pyongyang August 8 (KCNA)—Hwang Sok-yong, delegate of the South side's promotion headquarters for the pan-national rally, and his wife arrived here Tuesday by plane to participate in the rally.

He was met by Yo Yon-ku and Chon Kum-chol, vice-chairmen of the North side's preparatory committee for the pan-national rally, Kim Chu-yong, director of the General Bureau of Overseas Compatriots Affairs, Choe Yong-hwa, first vice- chairman of the C.C. [Central Committee], the General Federation of the Unions of Literature and Arts, and other officials concerned with warm compatriotic feelings.

The crowd warmly welcomed the envoy of reunification dispatched by the fellow countrymen in the South, shouting "National reunification" and "Korea is one."

Hwang Sok-yong, waving to them, headed for the guest house in the city.

Passers-by stopped walking and warmly welcomed him along the streets, waving their hands.

Writer Explains Participation

SK0808160590 Pyongyang KCNA in English 1537 GMT 8 Aug 90

[Text] Pyongyang August 8 (KCNA)—Hwang Sok-yong, delegate of the South side's promotion headquarters, who has come to Pyongyang to participate in the Pan-National Rally for Peace and Reunification of the Country told home and foreign reporters today that he came to the North of the country to represent the will of Chonminnyon [National Democratic Alliance of South Korea] and he would make his utmost efforts to get the division-oriented "National Security Law", scrapped.

He said that after visiting the North in March last year, he planned to return to Seoul and fight in court, but he went to West Germany via Japan, not to South Korea, and is now staying in West Germany because he thought it would be helpful to the reunification movement if he, being a writer, awakened the South Korean people who had a prejudice against the North of the country due to anti-communist propaganda and distorted education and if he gave them good knowledge of the North.

He added that over the last one year he had continued the reunification movement with those involved in overseas movement organizations.

Hwang Sok-yong went on to say:

I was following the progress of the preparations for the pan-national rally. At the second preliminary contact for the preparation of the rally, it was decided that the South side delegates would entrust the delegates of overseas Koreans with all matters in case they failed to participate in the rally.

According to this principle, I was authorized with them and hurriedly came to Pyongyang. I am not in a position to accept this authorization voluntarily. Because exchange of telephone messages or letters with the North is charged with communication and meeting under the "National Security Law".

But Mr. Im Min-sik gave me an order to participate in the rally as a delegate.

He said the 58 organizations which the South Korean authorities are attempting to thrust into the pan-national rally as "all social strata" are ultra-rightist gangs of various brands which have been engrossed in anti-communism from the days of the Syngman Rhee rule, and government- controlled organizations which changed their names after the "Fifth Republic". How can those who are steeped in anti- popular, anti-democratic, anti-reunification acts be allowed to participate in the pan-national rally aimed at finding the key to reunification? The situation prevailing in South Korea after No Tae-u's July 20 "special announcement" is a clear proof that he reversed his announcement himself.

Hwang said the United States is not a blood ally nor a friendly country but an alien who hinders other's life.

Im Min-sik, general secretary of the overseas Koreans' promotion headquarters of the pan-national rally, who is heading its delegation said: We, authorized by the South side's delegates, designated Mr. Hwang as a delegate first. We are going to designate more people. More people are sure to come here in future, he added.

Yon Hyong-muk Message to Kang

SK0908051790 Pyongyang Domestic Service in Korean 0400 GMT 9 Aug 90

[Telephone message sent by Yon Hyong-muk, premier of the Administration Council of the DPRK, to ROK Prime Minister Kang Yong-hun on 9 August—read by announcer]

[Text] To ROK Prime Minister Kang Yong-hun:

I think it regrettable that in your 8 August telephone message, you proposed exchanging the so-called lists of visitors. As the whole world knows, your side hindered through all means the pan-national rally of delegates of the North and South and overseas compatriots, which was to be held for the first time in 45 years since the division of the country; prevented the delegates of our side's preparatory committee from attending the preliminary contact in Seoul; and even committed the unreasonable act of blocking the delegates of the National Democratic Alliance [Chonminnyon] from attending the preliminary contact in Pyongyang by using guns and bayonets.

This time, even while pretending to allow our delegation to console Yim Su-kyong, your side said it cannot meet the detainee, but her family members and lawyers. In this way, your side virtually rejected our proposal to send a delegation to console Yim Su-kyong. Our proposal to send such a delegation is just from a humanitarian stand, in view of the compatriotic love of consoling messengers of reunification, and in view of the national desire to realize contact and visits between the North and South. This proposal does not hamper your side's order and system in view of the fact that, in the 20 July special announcement by the person in authority on your side and its follow-up measure, your side said anyone can visit any place and meet anyone in South Korea.

Your side at this point nevertheless said who can meet whom and who cannot meet whom. This means your side declared the grand national exchange and free mutual visits for five days starting on the 15 August anniversary, about which your side has talked, are false, and that your side will not allow any mutual visits between the North and South. Your side proposed exchanging lists of names. This cannot be construed but as an attempt to conceal its true stand of opposing the convening of the pan-national rally, free visits between the North and South, and opening up and to make fool of and deceive public opinion.

Your side blocked delegates of Chonminnyon, which proposed the pan-national rally, from coming to Pyongyang; rejected the application by the 15 priests of the Catholic Priests' Association for Justice for visits to the North; and even opposed our proposal to send a delegation to console Yim Su-kyong. Your side, however, received applications for visits to the North and proposed exchanging the lists of visits to the North. Still, no one will believe your side's act is pure and sincere.

I make it clear, however, that I am willing to immediately consider your proposal for exchanging the lists of visitors if your side sincerely assumes the stand of realizing contacts and free visits between the North and South; allows our side's delegation for consoling Yim Su-kyong to go to South Korea and to personally meet and console the student Yim Su-kyong, Rev. [Reverend] Mun Ik-hwan, and Fr. [Father] Mun Kyu-hyon; officially allows the delegates of Chonminnyon and the National Council of University Student Representatives to participate in the pan-national rally; and abolishes the National Security Law, which blocks mutual visits between the North and South.

Yon Hyong-muk, premier of the Administration Council of the DPRK

9 August 1990

'No Group' Deception Warned

SK0908050590 Pyongyang KCNA in English 0452 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—NODONG SINMUN and MINJU CHOSON today come out with commentaries laying bare the deceptive nature of the No Tae-u group's "special announcement" and "followup step."

As is already reported, the No group declared that if the "coalition for national democratic movement" [National Democratic Alliance of South Korea] (Chonminnyon) applies for a visit to Pyongyang, they would "permit" it and advertised five-day "free travel" through Panmunjom.

They, however, have blocked at the point of the bayonet the Pyongyang trip of delegates of the South side's promotion headquarters to the third preliminary contact for the pan-national rally, crying that they could not "allow" Chonminnyon's participation in the rally, and refuse even to accept our offer to send a consolation team for woman student Yim Su-kyong.

The news analyst of NODONG SINMUN says:

The true worth of words is justified by deeds, and a lie has short legs.

The No group proved by their practical deeds that their much-touted "special announcement" and "followup step" were nothing but a trickery to conceal their true color as separatists, defuse the political crisis and foil the pan- national rally.

The South Korean authorities must give up their deceptive phrasemongering, trickery and fascist sword-brandishing, unconditionally guarantee Chonminnyon delegates' participation in the rally and not intercept the southern trip of the consolation team for student Yim Su-kyong; otherwise their "proposal for inter-Korean exchanges of people" will merely remain a deceptive, empty talk.

The news analyst of MINJU CHOSON warns that if the South Korean authorities persist in obstructing the pan-national rally, they would face a stern judgement as the enemy of reunification, as separatists.

Koreans From Japan Arrive

SK0908050790 Pyongyang KCNA in English 0457 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—A delegation of Koreans in Japan headed by So Man-sul, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) arrived in Wonsan Wednesday by the ship "Mangyongbong" to participate in the Pan- National Rally for Peace and Reunification of the Country.

The 100 odd-member delegation consists of delegates of Chongnyon organs at all levels, Korean traders and industrialists, women, youth and students, artistes, sportsmen, the Association of Koreans in Japan for Peaceful Reunification, etc.

It was met at the wharf by Yo Yon-ku, Presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland, Kim Yong-ho, vice-chairman of the Central Committee of the Korean Social Democratic Party, Han Yong-su, vice-chairman of the Central Committee of the Chondoist Chongu Party, who are vice-chairmen of the North side's preparatory committee for the pan-national rally, and other officials and a large crowd of people.

Head of the delegation So Man-sul made public an arrival statement at the wharf.

The statement said that the August 15 pan-national rally would be a grand festival of the nation to strikingly demonstrate at home and abroad our nation's ardent desire and steadfast will for reunification and an important occasion in enabling the Korean people, the subject of reunification, to unite as one and open the gate of reunification by their own efforts.

Branding the reckless moves of the No Tae-u fascist clique to foil the pan-national rally as an anti-reunification, treacherous crime, the statement sternly denounced them with surging national indignation.

It expressed the firm belief that South Korean delegates including "the coalition for national democratic movement" [National Democratic Alliance of South Korea] (Chonminnyon) and "the National Council of [University] Student Representatives" (Chondaehyop) would participate in the rally at any cost, decisively repulsing all sorts of obstructive moves of the separatists at home and abroad, and thereby take part in the grand nationwide march for reunification, sharing the pleasure of meeting between fellow countrymen in the North, South and abroad, embracing each other.

The delegation arrived in Pyongyang that day.

KSDP Welcomes Visit by ROK People's Party

SK0608112890 Pyongyang KCNA in English 1042 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—The South Korean People's Party (tentative name) on August 3 manifested its plan to send its delegation to visit the northern half of Korea for five days from August 13 at a time when the desire to visit the North and contact with us is rapidly growing among broad sections of the South Korean people.

According to an announcement of this party, a 30-member delegation will be led by Yi Chae-o, director of the Secretariat and chairman of the National Unification Committee of the party, and it will discuss matters of reunification with officials concerned of political parties and the government in the North.

Kim Yong-ho, vice-chairman of the Central Committee of the Korean Social Democratic Party [KSDP], in a statement issued today in this regard, sincerely welcomed and supported this initiative of the People's Party on behalf of the KSDP, considering it a good proposal which will mark one more new occasion in paving the road for contact and dialogue between the political parties of the North and the South and developing the North-South dialogue into one for reunification which would make practicable a democratic representation of the demand and will of the whole nation.

Noting that this active proposal of negotiation of the People's Party is entirely just as it complies with a national historic request, he said:

We believe that if the People's Party delegation visit Pyongyang, meet with political parties in the northern half of the country, not wedded to any form or formalities of contact, and openheartedly exchange views the question of accelerating national reunification, fine results would come of it.

If the delegation comes to Pyongyang, the political parties in the northern half of the country will provide all conveniences for it during its stay, guarantee the personal safety of its members in consultation with the government authorities of the Republic and warmly greet it as an envoy of reunification, as kins and kith.

If the South Korea authorities mean what they said in their July 20 "special announcement" and the ensuing "followup steps" at "a joint press conference of three ministers" promising that any organization or person will be "allowed" to visit the North without restrictions, they should unconditionally ensure the People's Party's delegation's visit to the North, stressed Vice-Chairman Kim Yong-ho.

Beijing-Tokyo Air Link Through N-S Negotiated

SK0608115990 Pyongyang KCNA in English 1051 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—Assad Kotaite, president of the Council of the International Civil Aviation Organization (ICAO), and Malcomsralph Hood, representative of the Asia- Pacific region of the organization, visited the Democratic People's Republic of Korea from July 31 to August 4, 1990, for the opening of the Beijing-Tokyo airbridge passing through the North and the South of Korea.

During their stay Vice-Premier and Foreign Minister Kim Yong-nam met the guests, welcomed the opening of the airline and hoped for its early opening through a close cooperation of the parties concerned.

The director of the Civil Aviation Administration of the DPRK and the president of the Council of the ICAO agreed at the talks to make energetic efforts for an active promotion of the opening of the airline and solution of the question of flight safety including technical matters.

The proposal for opening the airlink which was made by the ICAO Council and has been actively promoted by the DPRK Civil Aviation Administration and the ICAO is attracting keen attention of many aviation companies.

President Assad Kotaite expressed satisfaction over the results of the talks. He declared that with his visit to Pyongyang a series of negotiations with all interested parties on the opening of the airline had been successfully concluded.

KCNA Decries South's 'Plot' for Arms Buildup

SK0908045190 Pyongyang KCNA in English 0441 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—The No Tae-u group must give up at once its plot for arms buildup challenging the desire of the entire compatriots in the North and the South and overseas for peaceful reunification and get the U.S. imperialist aggression forces and nuclear weapons withdrawn unconditionally from South Korea.

The secretariat of the Committee for the Peaceful Reunification of the Fatherland says this in its information No. 572 dated August 8.

The information denounces the South Korean puppets' plan to buy large quantities of weapons from France, West Germany and Britain as one more crime against the nation to deliberately keep the situation on the Korean peninsula strained and stifle the people's movement for peaceful reunification.

The reckless arms buildup of the puppet clique proves that they are not interested in the least in the peace and peaceful reunification of the country and their vociferous cries about "detente," "dialogue" and "peace" are a lie full of deception, the information says, and goes on:

It must not be overlooked that the South Korean puppets announced they had signed agreements on the purchase of latest-type military equipment from West European countries at a time when desire for peace and reunification is unprecedentedly running high in the North and the South and abroad with the approach of the Pan-National Rally for the Peaceful Reunification of the Country.

This reveals the desperate effort of the South Korean puppet clique to render the situation on the Korean peninsula strained and aggravate confrontation so as to foil the pan-national rally which will record a new chapter on the road of peace and reunification.

However wild the South Korean puppet clique may run with bloodshot eyes in arms buildup, they can never dampen the desire of the entire Korean people for the peace and peaceful reunification of the country.

Cases of Epidemic Diseases in South 'Doubled'

SK0808155290 Pyongyang KCNA in English 1535 GMT 8 Aug 90

[Text] Pyongyang August 8 (KCNA)—More than 3,600 typhoid cases, or a double those in the same period last year, broke out in South Korea in the first six months of this year, according to a report.

The number of the cases of measles and other epidemic diseases has also reportedly doubled.

The alarming prevalence of epidemic diseases in South Korea this year is attributable to the negligence of preventive measures by the puppet clique.

Report on New U.S. 'Pacific Forces Plan'

SK0908044590 Pyongyang KCNA in English 0435 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—The U.S. imperialists are working out a "Pacific forces plan laying stress on the function of the naval and tactical Airforce units to defend" South Korea and other satellite countries in Asia, according to the American newspaper NEW YORK TIMES on August 2.

This plan was disclosed in the "new U.S. military strategic plan of the 1990s" which the U.S. Defence Department presented to Bush in June.

According to it, the Pacific forces, assuming oceanic character will entrust the Airforce tactical units with the duty to defend South Korea and Japan and will station one division in South Korea and support divisions in Hawaii and Alaska.

This makes it clear that the U.S. imperialists' "Pacific forces plan" is a new plan for arms buildup and a plan for aggression on Asia.

This is fully proved by the fact alone that the "Pacific forces" consist of offensive units, not defensive units.

It must not go unnoticed that the spearhead of this new large attacking forces is directed against the Korean peninsula.

This plan is intended to throw new armed forces of aggression on to the Korean peninsula and its surroundings and increase the attacking capacity of the U.S. forces in this region. This fully reveals that the "cutback of the U.S. forces stationed in South Korea" and "efforts for detente on the Korean peninsula" advertised by the U.S. imperialists are a whopping lie and a camouflage to cover up their crafty arms buildup and policy of confrontation.

Facts show that the U.S. imperialists and the traitor No Tae-u are loudly talking about "peace," "detente" and "dialogue" but actually do not want them, and behind the screen they are sharpening a terrible sword to stifle the DPRK by force of arms.

Our people are watching the new war preparations of the U.S. imperialists with heightened vigilance.

The U.S. imperialists should squarely look at the trend of the times and act with discretion.

Foreign Countries Send Greetings to Kim Il-song

SK0908044190 Pyongyang KCNA in English 0432 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received messages of greetings from Mu'ammar al-Qadhdhafi, leader of the great September first revolution of the great Socialist People's Libyan Arab Jamahiriyah, Joao Bernardo Vieira, president of the State Council of the Republic of Guinea-Bissau, Santiago Carrillo, chairman of the Central Committee of the Spanish Workers' Party, and Rolando Brena Pantoja, president of the National Executive Committee of the Left Revolutionary Union of Peru, on the occasion of the 37th anniversary of the victory of the Korean people in the fatherland liberation war.

The Korean people inspired the world people in their fight in defence of independence by defeating the U.S. imperialists and defending sovereignty, the messages said.

The messages expressed full support to the Korean people's struggle for the independent and peaceful reunification.

WPK's Kim Yong-sun Meets Cuban Officials

SK0908045590 Pyongyang KCNA in English 0446 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea [WPK], Wednesday met and had a friendly talk with Raul Valdes Vivo, member of the Central Committee of the Communist Party of Cuba and director of the "Nico Lopez" Higher Party School, and his party.

Present were an official concerned and Cuban Ambassador here Juan Jose Leon Vega.

Delegations Leave for Uganda, Ethiopia, Cuba

SK0808110390 Pyongyang KCNA in English 1019 GMT 8 Aug 90

[Text] Pyongyang August 8 (KCNA)—A DPRK Government economic delegation led by Minister of External Economic Affairs Chong Song-nam to visit Ethiopia and Uganda and a DPRK government metal industry delegation led by Minister of Metal Industry Choe Man-hyon to visit Cuba, left here today by air.

Kim Yong-nam Meets With Tanzanian Official

SK0608120890 Pyongyang KCNA in English 1050 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam today met and had a friendly conversation with E.W. N. Mwasakafyuka, director of political affairs of the Ministry of Foreign Affairs of the United Republic of Tanzania.

Seychellois Delegation Continues Pyongyang Visit

Meets With Kim Il-song

SK0808103290 Pyongyang KCNA in English 1016 GMT 8 Aug 90

[Text] Pyongyang August 8 (KCNA)—The great leader President Kim Il-song received today the visiting government delegation of the Republic of Seychelles headed by Minister of Planning and External Relations Danielle de St. Jorre.

On hand were Vice-Premier and Foreign Minister Kim Yong-nam and Vice-Minister of Foreign Affairs Kim Yong-yong.

President Kim Il-song conversed with the guests in a warm and friendly atmosphere.

He was presented with a gift by the head of the delegation.

Representatives Conduct Talks

SK0808161590 Pyongyang KCNA in English 1548 GMT 8 Aug 90

[Text] Pyongyang August 8 (KCNA)—Talks were held today between the government delegations of the Democratic People's Republic of Korea and the Republic of Seychelles.

Present at the talks on our side were Vice-Premier and Foreign Minister Kim Yong-nam, Vice-Minister of Foreign Affairs Kim Yong-yong and other officials concerned and on the opposite side was Danielle de St. Jorre, minister for planning and external relations of the Republic of Seychelles, and her companion.

Talks proceeded in a friendly atmosphere.

Kanbaeksan 'Secret Camp' Restored as Museum

SK0808060090 Pyongyang KCNA in English 0519 GMT 8 Aug 90

[Text] Pyongyang August 8 (KCNA)—The Kanbaeksan secret camp which was a powerful bulwark of the Korean revolution in the period of the heroic anti-Japanese revolutionary struggle and is a mighty base of education in the revolutionary traditions has been restored to its original state.

It is located in the thick forests between Mt. Paektu and Mt. Sobaek in the northern part of Korea.

It is a glorious battle site which, like other secret camps centering around the Mt. Paektu secret camp, played an enormous role in strengthening the internal forces of our revolution and bringing a new upsurge to the Korean revolution as a whole including the anti-Japanese armed struggle from the latter half of the 1930s to the liberation of the country.

It is associated with the immortal revolutionary history of the great leader Comrade Kim Il-song who wisely organised and led the preparations for an all-people resistance for national liberation and the struggle for a shining victory in the operation to liberate the country.

It is also connected with the brilliant revolutionary history of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter, who conducted energetic activities to implement the operational policies of the great leader together with the soldiers of the Korean People's Revolutionary Army [KPRA].

There are a log cabin of the headquarters, billets for bodyguards and KPRA soldiers, a checkpoint, a hospital, a ground for military drill and so on.

Preserved in the area around the camp are some 90 trees inscribed with revolutionary slogans including "Let all of us defend at the cost of our lives the heart of the Korean revolution", 670 unbarked trees, 100 revolutionary historical sites and relics of 50 kinds including the sites of tents and campfire, discharged cartridges and bullets.

A natural granite monument inscribed with the teachings the great leader gave, recalling the Kanbaeksan secret camp on July 25, 1988, was set up at the approach to the secret camp.

The secret camp is a proud open-air revolutionary museum which will convey the greatness of Comrade Kim Il-song and his immortal revolutionary exploits through all ages and a glorious land which enriches still more the treasurehouse of the revolutionary traditions of our party.

A grand meeting to unveil the monument and to open to the public the revolutionary battle site of the Kanbaeksan secret camp was held on August 7.

It was attended by Choe Tae-bok, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, and Kang Sok-sung, director of the party history institute of the Central Committee of the Workers' Party of Korea, and others.

'Fatherland Reunification Prize' Instituted

SK0708013790 Pyongyang Domestic Service in Korean 1200 GMT 5 Aug 90

[Text] The following is the decree of the DPRK Central People's Committee on Instituting the Fatherland Reunification Prize:

Realizing the independent and peaceful reunification of the fatherland is the vital demand of our nation and the most urgent national task for all the Korean people.

Our people have waged a steady struggle to realize the reunification of the country for the past 45 years, and numerous patriots and democratic figures have demonstrated unequalled devotion and sacrificing spirit in the sacred struggle for the reunification of the fatherland and registered great exploits for the fatherland and the people.

Today, all the people in the North and South and the overseas compatriots are waging a more vigorous struggle to make the 1990's an era of fatherland reunification, holding up the banner of the reunification program common to the entire nation—independence, peaceful reunification, and great national unity.

On the 45th anniversary of the fatherland liberation, the DPRK Central People's Committee decides as follows to commend in the name of the state the compatriots in the North, the South, and overseas who have distinguished themselves in the struggle for the independent and peaceful reunification of the fatherland.

1. A Fatherland Reunification Prize is instituted.
2. The rules for conferring the Fatherland Reunification Prize is approved.
3. The design of the gold medal for the Fatherland Reunification Prize is approved.

[Signed] Kim Il-song, DPRK president

[Dated] 25 July 1990, Pyongyang

Sunchon Vinalon Complex Construction Accelerated

SK0608155090 Pyongyang KCNA in English 1505 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—The second-stage construction of the Sunchon vinalon complex, a major construction program of Korea, is progressing fast.

The first-stage construction was completed in October last year, creating a 50,000-ton vinalon production capacity.

The workers are building three lime kilns and two carbide kilns at a time. Lime kiln No. 7 is now in the finishing stage, No. 8 is in a stage of brick-laying and No. 9 is in a final stage of body assembling.

The workers who have undertaken the building of ammonia facilities are fulfilling their daily plans at 120 percent in the construction of the compressor room and the process of ammonia compounding and catalyzer production:

Those in charge of assembling iron structures and equipment have topped their daily quotas 30 percent through the introduction of pre-assemblying method and other effective construction methods.

The Sunchon vinalon complex will produce large quantities of 30 odd kinds of chemical products such as vinalon, methanol, nitrogenous fertilizer, vinyl chloride and caustic soda with anthrecite and limestone abundant in this area as main raw materials.

South Korea

Further Reaction to Iraq's Moves in Gulf Region

Minister on Oil Conservation

SK0808091890 Seoul YONHAP in English 0712 GMT 8 Aug 90

[Text] Seoul, Aug. 8 (YONHAP)—Energy and Resources Minister Yi Hui-il, commenting on South Korea's loss of vital oil imports from Iraq and Kuwait, on Wednesday promised to develop a national energy conservation policy and stamp out waste.

Outlining his plan to Prime Minister Kang Yong-hun, Yi said he wants to reduce the opening hours of gas stations, limit the construction of energy-hungry buildings such as saunas, slap special sales taxes on large air conditioners, limit energy use by new factories and office buildings, and raise the tax on gasoline. He also said the government should fund research into energy conservation.

Yi, reporting on his ministry's analysis of the situation in the Middle East and its impact on Korea, said oil prices will stay at current levels until end of this year but stabilization efforts will be necessary next year to offset global oil price hikes.

In the meeting, also attended by Home Affairs Minister An Ung-mo and heads of major economic organizations, Kang asked government and civilian leaders to start a conservation movement among the public.

"Let current developments be the opportunity not only to eradicate energy waste but to firmly implant the spirit of frugality," Kang said. The government has already told state-run offices to cut daily energy consumption by at least 10 percent.

Yi also proposed increasing the sales tax on gas-guzzling automobiles, raising electricity charges during peak hours and seasons, and encouraging the use of natural gas. He said Korea must transform itself into a less fuel-oriented structure and study beforehand what effect each enterprise will have on national energy consumption.

Government To Impose Sanctions

SK0908040190 Seoul Domestic Service in Korean 0300 GMT 9 Aug 90

[Text] In relation to Iraq's invasion of Kuwait, the government has decided to join in the economic sanctions against Iraq that were resolved 6 August at the UN Security Council.

The government, in conforming with this decision, will conduct a meeting on it this afternoon with ministers from the Ministry of Foreign Affairs, the Economic Planning Board, Ministry of Trade and Industry, and Ministry of Construction. Prime Minister Kang Yong-hun will chair the meeting, which will provide a concrete policy for the economic sanctions.

In a news conference this morning, Vice Foreign Minister Yu Chong-ha revealed the government supports the 6 August resolution of the UN Security Council to carry out economic sanctions against Iraq and said a meeting with related ministries will be conducted this afternoon to discuss concrete policies for implementing those sanctions.

Vice Foreign Minister Yu Chong-ha repeatedly emphasized the basic position of our government is that Iraqi troops should withdraw from Kuwaiti territory at once. He also revealed our government cannot recognize Iraq's annexation of Kuwait.

The main frame of the UN Security Council resolution for imposing economic sanctions against Iraq is to completely boycott importation of products from Iraq or Kuwait and for all nations to ban all sales, including weapons and military equipment, to Iraq or Kuwait. This resolution requests that regardless of all contracts concluded before the resolution, all nations including nonmember UN nations should strictly observe this resolution.

New Oil Supplies Sought

SK0908065390 Seoul YONHAP in English 0615 GMT 9 Aug 90

[Text] Seoul, Aug. 9 (YONHAP)—Energy and Resources Minister Yi Hui-il ordered South Korean oil companies Thursday to make it their top priority to secure new supplies of oil to prepare for a prolonged suspension of deliveries from Iraq and Kuwait. Yi told five company presidents to ship all the crude they have stored in oil fields in North Yemen and Egypt to Korea as a safeguard, saying it was no longer possible to import 75,000 barrels a day from Kuwait.

Four Korean companies belong to a consortium in the Marib oil field development project in Yemen and in Khalda of Egypt. Yi said they should find other sources, such as Mexico and Libya, within this year. Meanwhile, the government has decided not to levy petroleum project fund charges on shipments of crude beginning Aug. 11. The charges, currently averaging three dollars and 28 cents a barrel, are levied to stabilize oil prices for the country is largely dependent on imported oil for its energy needs.

Conflict Over Cross-Border Visits Continues

DPRK Premier Rejects List

SK0908033590 Seoul Domestic Service in Korean 0300 GMT 9 Aug 90

[Text] Yon Hyong-muk, premier of the North Korean State Administration Council, in a telephone message addressed to Prime Minister Kang Yong-hun this morning, said that he will not receive our side's list of names of those who have applied to visit North Korea in connection with the proposal for great national exchange.

Dissident Committed to Talks

SK0908000390 Seoul THE KOREA HERALD in English 9 Aug 90 p 2

[From the "Out and About" column: "Paek Ki-wan Resolve"]

[Text] Paek Ki-wan, standing adviser to the yet-to be formed Peoples' Party and a prominent dissident, yesterday renewed his determination to visit north Korea for talks with north Korean leader Kim Il-song.

"If the government (south) really wishes to make progress in inter-Korean relations, there is no reason for the government to block my intention to go to Pyongyang," said Paek. He told reporters that topics for talks between Kim Il-song and himself, if materialized, could cover virtually every important issue such as politics, economy, social, military and cultural ones.

KBS Head Proposes Joint Program With North

SK0908044990 Seoul Domestic Service in Korean 0300 GMT 9 Aug 90

[Text] Korean Broadcasting System [KBS] President So Ki-won proposed to Chong Ha-chol, chairman of the North Korean Central Broadcasting Committee [NKCBC], a joint program to find North-South separated families and examine the natural ecosystem on the Korean peninsula to restore North-South homogeneity and stimulate mutual exchanges.

President So Ki-won, in a letter to NKCBC Chairman Chong Ha-chol, today proposed that a program to find the North-South separated families be held 15 August or at a proper date according to an agreement between KBS and NKCBC to enable the North-South separated families, who have suffered from pain for 45 years since the division, to confirm the life or death of their separated families at least over the radio and give them a chance to meet their separated family members.

In particular, President So Ki-won said the program to find the North-South separated families can be held through a joint program between the stations of both sides in Panmunjom, through exchanging pictures via satellite, and in other ways according to mutual negotiations.

In addition, President So Ki-won proposed a survey team of scholars to examine the ecosystem on the Korean peninsula and make a joint broadcast program be composed of the same number of North- South specialists from the natural ecosystem domain, who will be selected by both stations; that the survey team examine the ecosystem—the plants, animals, atmosphere, streams, and geology of North and South Korea; and that concrete survey tasks and locations be settled through negotiations of the joint team.

In addition, President So Ki-won proposed that the survey date be set according to the negotiations by the joint survey team and according to an agreement by both stations, that a single program-making team consisting of the same number of reporters and programmers from both stations accompany the survey team for the joint radio program, and the joint program be aired at a date set by both stations through negotiations.

President So Ki-won also proposed that to promote such two tasks put forward by KBS, a working-level promotion group of both stations be formed as soon as possible and a concrete promotion plan be negotiated.

South Korean Novelist Appears in Pyongyang

SK0808135990 Seoul YONHAP in English 1300 GMT 8 Aug 90

[Text] Seoul, Aug. 8 (YONHAP)—A South Korean dissident novelist, Hwang Sok-yong, abruptly showed up in Pyongyang Wednesday and vowed to continue his "struggle" for the unification of the Korean peninsula abroad, NAEWOE PRESS, Seoul's North Korea watcher, said.

According to North Korean radio reports monitored by NAEWOE, Hwang, who had been staying in West Germany since his controversial unauthorized visit to North Korea in March last year, said in a press conference Wednesday morning in Pyongyang that he has kept staying abroad to evade "public security-oriented political situation" in South Korea. He was referring to a political standoff centering upon Seoul's touch action against unauthorized visits by some dissident activists to communist North Korea last year.

Hwang reportedly said that he would continue staying overseas and keep struggling for the unification of South and North Korea. The famed writer said he chose to stay in West Germany in search of a better position to wage a drive for enlightening the South Korean people on the realities of North Korea. He said, "Many South Korean people have a great deal of prejudice against North Korea as a result of anti-communist propaganda and distorted education."

North Korean radio reports, however, did not mention when and how Hwang entered North Korea, according to NAEWOE. The reports said that Hwang visited North Korea as southern side representative to preparatory meeting for the pan-national rally slated for Aug. 15 at the truce village of Panmunjom. Meanwhile, Kim Kwae-sang, temporary spokesman for the southern side preparatory committee for the pan-national rally said that he did not know about Hwang's visit to Pyongyang and that his committee has never qualified Hwang to represent it at the Pyongyang preparatory meeting.

Police Question Three Students About Articles

SK0908093490 Seoul YONHAP in English 0714 GMT 9 Aug 90

[Text] Seoul, Aug. 9 (YONHAP)—Three students have recently been questioned by police for writing in university newspapers articles allegedly sympathetic to North Korean leader Kim Il-song's chuche ideology. They were taken in for questioning to find out if they had violated the National Security Law, a police spokesman said Thursday.

Yi Sang-pil, 21, a former editor of the Korea University paper, was picked up at his home early Wednesday morning. The Japanese language junior wrote about socialist philosophy and North Korean ideology in the May 8 issue of the paper.

Yim Chong-hyon, 20, a former editor of Yonsei University's weekly YONSEI CHUNCHU, was released Tuesday evening after being grilled for nine hours. He was grabbed in front of his home. The theology junior was questioned about four articles on criticism of chuche literary theories published in April.

Yi Chin-yon, 21, a section chief of Dongguk University paper, was released on Aug. 4 after two days of police interrogation. The sociology junior wrote five articles on new detente and national unification in March and April.

DPRK Opposes German-Type Reunification

SK0708100690 Seoul CHOSON ILBO in Korean 5 Aug 90 p 1

[Report from Osaka by correspondent O Tae-chin]

[Text] North Korean scholars attending the Third International Seminar on Korean Studies said at a joint news conference on 4 August that "the North Korean people, too, are well aware of the East European situation, but there are no dissident forces in North Korea."

The one-hour news conference was held by five North Korean scholars, including Kim Sok-hyong, adviser to North Korea's Academy of Social Sciences, at the International Exchange Center, site of the seminar in which 11 North Koreans participated. The North Koreans said: "The East European situation cannot exert any influence over our unique socialist system, and a German-type reunification formula cannot work in Korea."

Concerning the reason why North Korea had drastically reduced the size of the participants in the seminar, they explained that "many academic seminars are being held at home and preparations are being made for the pan-national rally." In addition, concerning the cancellation of the visits by 16 of those who were supposed to meet their separated families during their participation in the seminar, only with the exception of adviser Kim Sok-hyong, they said that "no special attention was given, because the complicated question of the separated families was not compatible with an international academic seminar."

They condemned the ROK-Soviet summit as "a means to settle the Korean question in a way of relying on big powers."

Over the prospects of improving North Korea's relations with the United States and Japan, they said that "the basic stand is to improve relations with all world nations which respect the sovereignty of our republic and which do not hinder reunification and the question of the relations with the United States and Japan as well will be settled according to this principle."

International Seminar on 'Koreanology' Ends

SK0608013790 Seoul YONHAP in English 0121 GMT 6 Aug 90

[Text] Osaka, Japan, Aug. 6 (YONHAP)—The three-day Third International Seminar on Koreanology in Osaka, Japan, ended Sunday with participants from 13 countries agreeing to meet again in Honolulu, Hawaii, in 1992.

Honolulu was proposed as the next venue by the Japan side of the seminar, and unanimously adopted by the 1,117 participants, who had discussed Korean linguistics, culture, history, politics, economy, education and five other topics since Friday. During the seminar, jointly organized by Osaka University of Economics and Law and Beijing University, about 300 theses were delivered, but their low quality was a sharp contrast with the heated debate.

After the closing ceremony, everyone except the South and North Koreans agreed to form a research committee, tentatively named the International Koryo Studies Academy. Of the participants, 139 were South Korean and 11 North Korean. North Korea had planned to send 150 people to the seminar, but it reduced its delegation for unknown reasons.

Kwangju Students Stage Sit-In at U.S. Center

SK0808113090 Seoul Domestic Service in Korean 1100 GMT 8 Aug 90

[Text] Eleven people, including students belonging to the South Cholla Provincial Council of University Student Representatives and citizens, attempted to deliver a letter of protest addressed to the U.S. Government to the U.S. Cultural Center in Yangnim-tong, Kwangju, at around 1200 [0300 GMT] today; but all of them were taken to the police station.

Eleven people, including Kim Hyon-yong, a sophomore in the law department of Chonnam University, entered Honam Seminary, located across the street from the U.S. Cultural Center, and then rushed out onto the road in front of the center. They then spread about 100 leaflets with the letter of protest. They staged a sit-in for about 20 minutes in front of police officers who had blocked them earlier. They were then taken to the police station.

In the letter of protest, they claimed that the United States was responsible for the division of the Korean peninsula and was obstructing reunification and demanded that the U.S. immediately withdraw its troops and nuclear weapons from South Korea and abandon its policy of perpetuating the division.

U.S. Has 'Keen Interest' in ROK-USSR Ties

SK0908031590 Seoul YONHAP in English 0247 GMT 9 Aug 90

[Text] Seoul, Aug. 9 (YONHAP)—The United States, which complained about South Korea's lack of enthusiasm for sanctions against Iraq on Wednesday, has shown a keen interest in Korea's stepped-up economic ties with the Soviet Union, diplomatic observers said Thursday.

Richard Solomon, U.S. assistant secretary of state for East Asia and Pacific affairs, arrived here Tuesday on a mission to brief Korean Government officials on the outcome of the U.S.-Soviet foreign ministers' meeting in Irkutsk in Siberia.

Solomon spent 90 minutes Wednesday with Acting Foreign Minister Yu Chong-ha in the presence of Ambassador Donald Gregg and Pan Ki-mun, the ministry's director-general for American affairs. At lunch, Solomon spent another 90 minutes discussing matters of mutual concern with Yi Chong-Pin, assistant foreign minister for political affairs. The overriding theme of Solomon's conversation was that Korea ought to join in sanctions against Iraq, ministry sources said. They said Solomon was told that Korea, while opposing the use of force, would not make any move until it had seriously considered its relations with Iraq and Kuwait.

"We do understand the U.S. request. We may give up economic interests in the two countries, but it is difficult to instantly accept the U.S. demand when the security of 1,300 Koreans is at stake," a ministry official said. Asked if Korea was asked to join in the multi-national operation to block the Persian Gulf, the official said, "No. The United States would not ask that. If it did, we would reject it out of hand."

He said the most likely step for Korea is to replace Iraq and Kuwait with Mexico or Libya as sources of crude oil. Korea was importing 35,000 barrels of crude daily from Iraq and some 70,000 barrels from Kuwait before the invasion.

The other message Solomon brought to Seoul concerns the expansion of economic contacts between Korea and the Soviet Union, the observers said. During a briefing on the first Seoul-Moscow negotiations on economic cooperation and diplomatic relations Aug. 2-7 by Vice Foreign Minister Yu, Solomon exhibited special interest in the Soviet list of 22 projects and 40 consumer goods, and said Korea could not be too careful in seeking economic cooperation with the Soviet Union. The observers said U.S. concern about fast-developing ties with Moscow seemed to prevail when Solomon had breakfast with Deputy Prime Minister Yi Sung-yun on Thursday and met with Kim Chong-hwi, chief presidential adviser for diplomacy and national security, on Wednesday afternoon.

In his meeting Wednesday with Yim Tong-won, dean of the Foreign Ministry's Institute of Foreign Affairs and National Security, Solomon discussed arms control on the Korean peninsula and the reduction of the U.S. troops stationed here. Yim heads a presidential task force on arms control planning that is drafting an arms reduction proposal. It is scheduled to be ready before the first South-North Korean premiers' talks Sept. 4 in Seoul. The observers said Solomon's activities include learning the outline, if not the details, of the draft and finding out if it was shown to the Soviets during recent talks in Moscow contacts, and what the Soviet reaction was.

The United States apparently shows a keen interest in linking arms control on the Korean peninsula with the reduction of American forces in Korea, in North Korea's forward deployment of 90 brigades and calls for denuclearization of the peninsula, and in operating an international arms control watchdog on the peninsula, they said.

Delegates Return From Moscow; No Aide Comments

SK0908124590 Seoul YONHAP in English 1144 GMT 9 Aug 90

[Text] Seoul, Aug. 9 (YONHAP)—Kim Chong-in, senior presidential secretary for economic affairs, hinted Thursday that South Korea and the Soviet Union may put final touches to their negotiation on the establishment of diplomatic relations between the two countries in September.

Kim said, upon his return from Moscow, that the two countries are "highly likely" to conclude six bilateral accords, including an investment protection agreement, in the second official talks should the the talks proceed smoothly. Kim, who headed a 20-man South Korean delegation to Moscow for the first official bilateral talks, also told journalists that the two countries would earn "more than that" from their second official talks. Officials of the two countries agreed in their meeting in Moscow on August 3 to resume their meeting in Seoul in September.

Kim said officials of the two countries shared identical views on various pending bilateral issues. He stressed that the first meeting in Moscow helped wipe out concern that the Soviets may seek to discuss diplomatic issues separately from economic topics. He observed that the agenda items dealt with in the first meeting would be further discussed in working-level contacts expected in late this month or early September.

When asked about South Korea's role in 22 projects which Moscow has recently suggested as desires areas for economic cooperation, Kim said, "It is not that the Soviet side unilaterally demands for our participation. It simply handed over a list of projects which it thinks are in need of mutual cooperation.

"The government will select those projects which are acceptable in view of our capability." The senior presidential aide also said that the forthcoming working-level contacts will discuss details concerning the proposed trading of 40 consumer goods. Kim stressed the need to seek economic cooperation with the Soviet Union on a long-term perspective in consideration of the inter-Korean political situation.

Seoul To Promote Siberian Gas Development

SK0308121590 Seoul HANGYORE SINMUN in Korean 3 Aug 90 p 4

[Text] The government has decided to actively promote development of gas fields in Siberia. The gas is expected to be transported to Korea through a gas pipeline that would pass through North Korea. The government plans to officially notify the Soviet Union of this plan and to request the Soviet Government ascertain North Korea's opinion on this matter.

On 2 August, Yi Won, director of resource development at the Ministry of Energy and Resources, who will head a government resource investigation group to the Soviet Union on 18 August, said the government decided to promote this plan because it thought development of Siberian gas fields not only would contribute to developing North-South relations, but also would greatly help resolve our country's energy supply and demand . This is the first time the government has revealed its plan of laying pipelines that will pass underground through North Korea. Attention is focused on whether North Korea will accept this proposal.

Director Yi said, " To obtain funds to develop the economy, the Soviet Union recently limited the supply of crude oil to North Korea and East European socialist countries. Since it hopes to substitute crude oil for natural gas, it seems there is no reason for North Korea to oppose this."

He added, "The Ministry of Energy and Resource is showing much interest the Hyundai Group's promotion to develop gas fields in Siberia. Plans are being made, therefore, to conduct a wide range of talks with the Soviet Union on this matter."

Director Yi also said, " Developing Siberian gas fields is receiving much international interest, to the extent that Japan also is exploring this project. Since it has been learned this project is commercially viable, our government cannot just remain indifferent to this matter."

The govqrnment resource investigating group is comprised of 10 people in charge of Soviet relations, and includes government investment corporations, such as the Kwangop Promotion Corporation, the Korea Electric Power Corporation, and Pohang Iron and Steel, and private enterprises, such as the Hyundai Group and the Samsong Company. Progress currently is being made on the schedule of the visit with the Soviet Government.

Some businessmen, such as Chong Chu-yong, honorary chairman of the Hyundai Group, have been making plans to develop gas fields in the Siberian and Sakhalin region so underground gas pipelines that pass through North Korea or gas transportation lines can bring the gas into South Korea.

Seoul, Moscow Agree To Sign Sports Exchange

SK0908054390 Seoul YONHAP in English 0528 GMT 9 Aug 90

[Text] Seoul, Aug. 9 (YONHAP)—Seoul and Moscow city governments agreed here Thursday to sign a sports exchange accord in Moscow in November, a Korean sports official said. He said the vice president of the Seoul City Amateur Sports Association, Kim Yong-mo, exchanged memorandums with Lev Kofman, president of the Moscow City Sports Association.

"Sports exchanges between the two capitals will begin when the accord is signed, and visits by athletes, sports scientists and leaders will increase," the official said. Kofman leaves the country on Friday after an eight-day stay.

Daily Urges Prudence in Dealing With USSR

SK0908013190 Seoul HANGUK ILBO in Korean 8 Aug 90 p 2

[Editorial: "It Is Time To Present a Plan for Economic Cooperation With the Soviet Union"]

[Text] The first intergovernmental talks between Korea and the Soviet Union, which have respectively given priority to "establishing diplomatic relations" and "promoting economic cooperation," are over. Again, our delegate said: "An outline on establishing diplomatic relations has been mapped out, and only technological matters are left unresolved." This is similar to what a delegation of the ruling party said on its return from the Soviet Union.

Contrary to this, Maslyukov, first deputy premier of the Soviet Union, said: "Great progress has been made in the relations between the two countries this year, and achievements will be brought about in establishing diplomatic relations." This, too, is similar to what we so far had heard.

One difference is that both sides have said they agreed to "pursue the establishment of diplomatic relations and economic cooperation at the same time." Progress, if any, in the first intergovernmental talks, is probably the fact that the Soviet side accepted the notion economic cooperation is conditional on establishing diplomatic relations. Moreover, in the first talks, the Soviet side presented a plan for economic cooperation in detail. As previously reported, the Soviet side presented a list of 40 goods the Soviet Union needs, including equipment and durable consumer goods, and a list of 22 projects in which we receive goods in compensation for the establishment of joint-venture companies or investments.

The goods and projects which the Soviet side presented are, of course, what it hopes and wants us to supply or carry out. It has not been learned how our side responded to the Soviet Union's offers for these projects and commodities.

We admit that, as we observe the process of negotiations for German unification, the exchange of "economic leverage" that the Soviet Union needs and the "political leverage" that we need is inevitable in negotiations between Seoul and Moscow. This process is necessary for Korea and the Soviet Union. Also, it will contribute to stability and development in Northeast Asia and, in the long run, the world.

As we pointed out in our 30 July editorial, however, our situation is different from that of West Germany, an economic powerhouse. It is impossible to always publicly carry out diplomatic activities. It is correct, however, to perform them after receiving the people's consent on major issues through open discussions. The people must know the exact scale of economic cooperation which the Soviet side proposed. Economic cooperation is all right if we are capable of it.

It is necessary for the government to elaborate on the scale of economic cooperation with the Soviet Union and how to implement this plan. Establishment of diplomatic relations between Seoul and Moscow has become a possibility, not because a few officials in charge have made efforts toward this end, but because the world has freed itself from the cold war.

We hope our negotiators will not forget that if we get too little in return for what we will give and if we fail to maintain a balance, this would be a mistake that could not be undone. Establishment of diplomatic relations between the two countries is what both need, not a "favor" that one side does for the other. We expect that, keeping in mind the fact they represent the country before history and assuming the attitude of looking before you leap, the government and our negotiators will continue negotiations.

Soviets, Japanese To Consult Regularly on Korea

SK0308134790 Seoul YONHAP in English 1313 GMT 3 Aug 90

[Text] Tokyo, August 3 (OANA-YONHAP)—The Soviet Union and Japan agreed to have consultations regularly between their working-level officials on issues concerning the Korean peninsula, Japanese newspapers reported Friday quoting a senior Soviet Foreign Ministry official.

The reports also quoted Soviet Vice Foreign Minister Igor Rogachev as saying that the United States, the Soviet Union, Japan and China should cooperate in lowering tension and ensuring peace and stability on the Korean peninsula by promoting inter-Korean dialogue.

Rogachev made the remarks when he met with Japanese journalists after his talks with Japanese Foreign Ministry officials Thursdaz, according to the newspapers. The Soviet move for regular discussions with Japan on the Korean peninsula may be designed, taking advantage of rapprochement between Seoul and Moscow, to strengthen its influence on the Korean peninsula and press Western countries to improve ties with the isolationist North Korea, the reports said. In the regular working-level consultations, the Soviet Union may ask Japan and the United States to take positive steps for Pyongyang to abandon its isolationist policy, according to the newspapers.

Seoul Seeks PRC, Hong Kong, Taiwan in APEC

SK0908032390 Seoul YONHAP in English 0259 GMT 9 Aug 90

[Text] Seoul, Aug. 8 (OANA-YONHAP)—South Korea will seek full membership for China, Hong Kong and Taiwan in the Asia-Pacific Economic Cooperation (APEC) ministerial meeting before the group meets in Seoul next year, sources at the Economic Planning Board [EPB] said Thursday. Korea will use diplomatic and economic channels to make their membership official so that they can take part when Seoul hosts the meeting in October next year, they said.

"This would give us the coveted opportunity to unfold our northward diplomacy toward China and heighten economic cooperation with Taiwan and Hong Kong," an EPB official said. Admission into APEC needs the full approval of the 12 member nations, but they already agreed in principle to accept the three at the second forum last month in Singapore. It has yet to decide when and how they will be admitted, but Korea is hoping to speed up the process, officials said.

"The opportunity is there. We exert some influence because we are the host nation for the next meeting. There is also the APEC working-level conference in Seoul this October when the issue will be taken up," the EPB official said.

China had insisted that Hong Kong and Taiwan, which it says are "two other Chinas," be denied admission, join much later or not be given full membership status. But its stance softened recently, the official said, and the possibility of simultaneous admission is strong. APEC, a fledgling but fast-growing economic organization rooted in the Asia-Pacific region, needs these new members to gain more momentum and influence, a sentiment voiced loud at the forum in Singapore, officials said. The 1989 Korea-Australia summit provided the impetus to expand regional cooperation from academic and civilian levels to the economic sector, leading to APEC's formation later in the year.

APEC members are Japan, the United States, Canada, Australia, New Zealand, the six ASEAN countries and South Korea. APEC is dedicated to trade promotion, human resources development, exchange or trade and investment data, technology transfers, and cooperation in energy, marine preservation and telecommunication.

Opening of Trade Office in Beijing Considered

SK0208024490 Seoul YONHAP in English 0111 GMT 2 Aug 90

[Text] Seoul, Aug. 2 (YONHAP)—South Korea is considering opening a trade office in Beijing around Oct. 7, the end of the Asian Games, a government source said Thursday.

Retreating from its demand that offices be exchanged under a formal agreement between the two governments with an official declaration that they will perform consular functions, Seoul will probably accept Beijing's call for private trade offices carrying out informal consular functions, the source said. Jiang Zemin, the Chinese Communist Party's general secretary, said during a recent visit to Japan that Beijing was willing to exchange trade offices with Seoul.

"The government is currently sounding out the Chinese through various channels. We will formally contact them if the Chinese idea is confirmed," the source said. "We will consider creating trade offices of a little different type from our original intention if Beijing refuses to have them with formal diplomatic and consular functions."

Displeasure Over Relations With Beijing Noted

SK0408130990 Seoul TONG-A ILBO in Korean 31 Jul 90 p 2

[Editorial: "We Do Not Need To Be Kind to Beijing"]

[Text] Beijing-related foreign news reports dispatched from Tokyo these days give us an unpleasant feeling indeed. The foreign news reports from Tokyo give us the impression news reports on developments between Seoul and Beijing have been dispatched after being made up in Tokyo. These foreign news reports from Tokyo, though they are of little value, have been dispatched after being packed in big splendid boxes. Bewildered by these Tokyo-prepared splendid packages, press media in Seoul are dancing to the tunes of Beijing and Tokyo, without grasping the meaning of the tunes. Thus, our press media are playing into the hands of Beijing and Tokyo.

According to a report on 29 July of the Japanese newspaper NIHON KEIZAI SHIMBUN dispatched from its correspondent in Beijing, Yuan Mu, a spokesman of the Chinese State Council, in an interview with the Japanese newspaper, said that the ROK and China have agreed to exchange trade representative offices in Seoul and Beijing in fall of this year. To sum up the Chinese spokesman's remarks carried in the Japanese newspaper, trade representative offices will be established in Seoul and Beijing after the Asian Games. The Chinese side, however, is reluctant to include consular functions in the trade representative offices. Beijing does not consider inviting President No to visit China, nor does it consider realizing political exchange between the ROK and China.

On 30 July, in a meeting with former Japanese Vice Prime Minister Miyazawa, Jiang Zemin, the CPC general secretary, said that the ROK had proposed exchanging trade offices and that the proposal is now under review by the Chinese authorities.

There is something meaningful in these remarks of Beijing's, directed toward Seoul via Tokyo. That is to say, the Beijing government—which, despite the fact that exchanging trade offices is, in fact, an issue for which the governments of the two countries should have negotiated—has stepped back from the front and, instead, has let the China Council for Promotion of International Trade [CCPIT] negotiate on this issue with our government. The Beijing government has insisted that it will make the final decision on this issue around the time of the Asian Games in September.

What is important, however, is the fact that there has been no change from the Beijing side in the content and form of the trade representative offices to be established between the two countries. Beijing proposed that "trade offices" be exchanged between the Korea Trade Promotion Corporation [KOTRA] and the CCPIT and that the trade offices handle consular business.

For this, our government proposed that the two countries maintain "consular relations" as is the case with the Soviet Union, even before diplomatic relations are established between them. But we expressed the hope that if maintaining "consular relations" is infeasible, "trade representative offices" should be exchanged and diplomats of the two countries will work at these offices. This has been the point of dispute between the two countries.

If the pending issue between the two countries were simply one of exchanging trade offices only, our country could have agreed with Beijing one or two years ago. We find that in their recent remarks, Jiang Zemin and Yuan Mu alike have no desire to make concessions at all.

Despite the fact that the volume of trade between the two countries reaches as much as $2 billion, that our country not only has assisted China's tourist industry, but has also provided millions of dollars free to China for its preparations for the Beijing Asian Games, China has not yet lifted its diplomatic sanctions of prescribing the ROK as the most immoral and criminal state in the world, together with the South African Republic and Israel. Furthermore, while claiming that they support North Korea, to block the theory of two Chinas created by the existence of Taiwan, the Chinese Government has gone so far as to provide more preferential treatment to Taiwan than it provides to the people of the countries with which it has diplomatic relations in the fields of tariff and entry procedures. On the contrary, the Chinese Government has perpetrated the unwarranted act of imposing the highest tariff rate on ROK goods and issuing tourist visas even to presidents of ROK business enterprises which have invested their capital in China.

All of these disadvantages and the scornful treatment we have received from China are due to our ignorance of China, that is, due to the fact that our government, enterprises, and people alike have been hasty and imprudent in advancing into China without grasping its essential character.

Why on earth are cadres of our state-operated enterprises, let alone our civilian enterprises, trying to invest billions of dollars from the national treasury in China—which claims that the ROK is the most vicious criminal country in the world—and attempting to invest huge amounts of capital in agriculture in Manchuria, which is known to have bad weather conditions for agriculture, while desperately opposing the import of agricultural products from Thailand, the Philippines, Australia, the United States, and Brazil on the excuse that imports of agricultural products from these countries would destroy our domestic agriculture? This is definitely a contradiction. This being the situation, it is natural for China to look down on us.

Frankly speaking, we do not properly perceive China. Although it has a large population, China is a country of chaos and confusion in which we can hardly find anything useful for the development of mankind in the 21st century in its political, diplomatic, industrial, technological, and even cultural abilities. It would be only enough if we assist China in such a way as to send scores of thousands of our tourists to China every year and to have them spend tens of millions of dollars or a hundred million dollars there.

There is no need for us to be in haste in the negotiations with China, regardless of whether they are about the issue of exchanging trade offices, establishing consular relations, or establishing diplomatic relations. What we should do is as much as China does for us. The problem is to foster our own strength. Beijing cannot become a big factor influencing our relations with North Korea or relations with other Asian countries. What we should rather keep in mind is Tokyo's Beijing card.

Japanese Comment on Draftees Angers Relatives

SK0808085590 Seoul YONHAP in English 0732 GMT 8 Aug 90

[Text] Seoul, Aug. 8 (YONHAP)—Tokyo's announcement Tuesday that it had found the records of 79,578 Koreans conscripted during World War II has angered South Korean survivors and relatives of the victims, who say the figure is far greater.

"We estimate at least 1 million Koreans were taken to Japan against their will, forcibly mobilized as laborers, soldiers and comfort girls for Japanese soldiers. The Japanese announcement only mirrors its lack of sincerity concerning this issue," Yang Sun-im, spokesman for the Association of Bereaved Families of Pacific War Victims, said Wednesday.

"The Tuesday announcement only proved that the inhumane nature of the Japanese has not changed a bit even after President No Tae-u visited Tokyo (in April)."

The Japanese Labor Ministry official said, "We found at least 79,578 Koreans had been brought to Japan as forced labor between 1939 and 1945." The official was also quoted in Tokyo-datelined reports as saying, "The figure turned out to be far below what had been expected because many of the wartime records have been lost."

In a statement issued Wednesday, the association argued that the Japanese Government had not found new documents about Korean draftees but had collected lists that had been discovered earlier by "conscientious" Japanese private organizations and citizens. The issue of Japan's forced drafting of Koreans had been avoided by both Seoul and Tokyo out of political considerations, but surfaced as an important subject for bilateral talks at the time of No's visit to Japan.

The Japanese Government began to investigate its wartime conscription of Koreans in May at the request of the South Korean Government. Announcing the results of its two-month-long investigation on Tuesday, the Labor Ministry estimated the number of shanghied Koreans at 670,000. The Seoul-based association of bereaved families was indignant about what it saw as Japan's reduction of the number. The association said the ministry did not present a breakdown of the figures lest it kindle a dispute over compensation and the return of remains.

Sin Yong-su, president of the Korean A-Bomb Victims Association, said the announcement was a gesture to silence the public outcry for an investigation into its wartime wrongdoings. He also accused Tokyo of postponing payment of 4 billion yen to Korean A-Bomb Victims agreed during No's visit to Tokyo. Officials at the Korean Foreign Ministry declined to comment on Tokyo's announcement.

"We can comment on the issue only after we receive official documents from Japan. But if what has been reported is true, we can't deny it falls far short of our expectations," a ministry official said.

Contract Planned With State Bank of Mongolia

SK0808095190 Seoul YONHAP in English 0809 GMT 8 Aug 90

[Text] Seoul, Aug. 8 (OANA-YONHAP)—Korea Exchange Bank [KEB] will sign a correspondent bank contract with the State Bank of Mongolia, the first since the two nations set up diplomatic ties in March, a KEB spokesman said Wednesday.

"The Mongolian central bank sent its positive response last month to our proposal for a contract in March, and now some technical steps are all that need to be taken to conclude the contract," the spokesman said. Under the contract, transfers can be made either through a third bank or directly between the two banks, he said.

Since Mongolia announced it would pay for its imports in hard currency and would actively trade with Western countries, trade prospects between the two nations look rosy, analysts say. In 1989, two-way trade amounted to about 600,000 U.S. dollars. Mongolia's central bank, which has 21 branches, controls all external trade and issues bank notes.

Investment Protection Pact Reached With Norway

SK0408005590 Seoul THE KOREA HERALD in English 4 Aug 90 p 2

[Text] Oslo—Foreign Minister Choe Ho-chung and his Norwegian counterpart Kjell Megne Bondevik have agreed to conclude an accord for protection of investment between Korea and Norway as soon as possible. They also pledged to cooperate for diversification of bilateral trade, which is now heavily dependent upon shipping, and expansion of ties to cultural and other fields.

Visiting Bondevik at his office Friday morning, the Korean foreign minister on an official visit here, also briefed him on the recent efforts by the Seoul government for settling peace on the Korean Peninsula and in East Asia in general including President No Tae-u's July 20 proposal to open the border with north Korea for people's free travel.

Touching on Korea's U.N. membership, Choe said north Korea's proposal to share a seat with the south at the United Nations is not realistic and sought the support of the Oslo government for the south's position. Ministers Choe and Bondevik shared the view that the move for formation of a single European market inside the European Community (EC) members should not constitute to strengthening the tendency of regionalism and protectionism in world trade, warning that such a tendency might have grave adverse effects on global trade growth. The two ministers also exchanged views on global issues like the unification of Germany during their talks which lasted over one hour.

Choe invited Bondevik to visit Seoul at a convenient time at the end of the talks. Minister Choe also met Norwegian Minister of Trade and Shipping Kaci Kullmann Five on the same day. During the talks, Choe presented her the Korean side's draft of the agreement on investment protection and proposed that the two governments sign it when Minister Five visits Seoul in September this year. Choe also suggested to her that Norway import Korean-made motor vehicles.

Minister Choe arrived here from Singapore Thursday where he attended the second ministerial meeting of the Asia-Pacific Economic Cooperation (Apec) forum. He will leave Norway for Romania Sunday, the last leg of his ongoing trip, where he is to sign agreements on investment protection and trade and economic, scientific and technological cooperation between Korea and Romania.

* Background, Status of EPB's 'Woes' Analyzed

902C0215A Seoul SINDONG-A in Korean
May 90 pp 406-419

[Article by Yi Paek-man, SEOUL KYONGJE SINMUN reporter: "EPB Is Tottering—An Exhaustive Analysis of Its Woes"]

[Text] The Economic Planning Board [EPB], which wielded awfully strong power in the high growth days of the 1960's and 1970's acting as a midwife delivering the nation's economic policies, is now more and more on the decline in its role and function, even to a degree that some people are crying for its "dissolution." The following is an analysis of the present plight of the EPB and how it is losing its territory to rival ministries and agencies that seek "independence."

The EPB is remembered as the leading player in the "Han River miracle" which it produced by exclusively wielding economic policy power and pushing on a powerful high growth drive. The words economic policy still make a majority of the Korean people think of the EPB. An agency that once exercised so great an influence, the EPB is a shambles now. It is withering more and more in its role and function as time passes. Personnel are also totally demoralized.

Former Deputy Prime Minister [DPM] Cho Sun had a horrible experience while in office [concurrently as EPB minister] in August last year. Together with Yi Pong-so, then minister of energy and resources, he left one day on an official tour of Taebaek, Kangwon Province, to inspect coal mine operations there but then was lost in the air for some 3 hours and 20 minutes as the "proud ROK Army" helicopter carrying them was unable to find the place that normally is an hour's flight from Seoul.

No sooner had the helicopter taken off from the Integrated Government Building in Kwachon than the pilot went astray. He flew as far south as Yongju, North Kyongsang Province, and, finding he was lost, made an emergency landing to ask a taxi driver the way. To make it worse, he found that he was running out of fuel and had to make another landing at a nearby military installation for refueling before finally arriving at the destination. The DPM's itinerary inevitably fell apart. For the return trip, Cho Sun flatly refused to fly back in the helicopter and used a car. As a result, it was after 2300 when he returned to Seoul that day. Officials at the Army Headquarters went on their knees in their apology for the bungle; nevertheless, the incident left something quite disagreeable behind. While the way they treated the government's ninth highest official was absolutely unreasonable, it, more importantly, was symbolic of the current plight of the EPB.

Many things have happened to hurt the pride of the EPB in recent days. In November last year, when college graduates—who had passed the higher civil service examinations for financial and economic posts in the administrative branch—were assigned to ministries and agencies, the top seven went to the Ministry of Finance [MOF]. Nothing like that could have happened in the 1960's and 1970's; in fact, through the mid-1980's, the EPB and the MOF had equal shares of the top finishers in the civil service test.

When some EPB personnel were seconded to the National Tax Administration [NTA] at the time of the latter's organizational expansion (with the creation of a task force to control real estate speculations), there was a change in the pattern. There was a flood of applicants for the eight rank-and-file positions available in the NTA. These days a considerably large number of employees are trying to get out of the EPB. Today's EPB undoubtedly is no longer what it used to be. It is on the decline, even to a degree that some people call for its dissolution.

EPB Even Served "Warning" Notice

In the days when Chang Ki-yong, Kim Hak-yol and Nam Tok-u headed it, the EPB's morale was sky high. Their policy plans passed as the president's. Their directives to other ministries and agencies were tantamount to orders that no one could defy. The EPB wielded enormous power and officials who rose from an EPB job all climbed the ladder of success rapidly and surely.

Times have changed. President No Tae-u refuses to hand over full economic policy control to the EPB. This is not the time either for him to do so because other economic ministries show strong resistance to it.

At the Sixth Republic's first meeting of economic ministers on 27 February 1988, Na Ung-pae, the then DPM and concurrently EPB minister, had a hard time as he was under fire from other economic ministers, including the ministers of finance, agriculture and fisheries, trade and industry, national construction, and energy and resources, who openly referred to (criticized rather) the way the EPB had dictated to them and unanimously demanded that EPB not touch businesses under their control without reason in the future. They, in effect, served a notice of warning (?) to get the EPB's role redefined. To pacify them, Na Ung-pae had to promise EPB would "play a villain's role only, leaving as much creditable work as possible to be handled by the respective ministries."

The criticism of the EPB at the meeting was indicative of an inter-ministry rivalry that had been brewing. The Na Ung-pae and the Cho Sun economic teams, the Sixth Republic's first and second respectively, continued to squeak because of such phenomena as the "generally yes but specifically no" attitude, "inter-ministry rivalry" and an "increasing friction between the party and the administration." Under such circumstances, it was impossible to expect proper planning on policies, or a smooth implementation of planned policies, if any.

Organizationally, the EPB is awfully powerful. Lined up under the DPM are the vice minister, the chairman of the Fair Trade Commission [FTC] and the director of the Office of Budget who all have minister-level authority. In fact, it can be said that the EPB has four ministers. Officially, the EPB vice minister is the government's first vice minister, serving as chairman of the vice ministers council. Any business for the state council to consider is first discussed by the vice ministers council. While the state council is the supreme decision-making organ chaired by the president, the vice ministers council is the second highest decision-making organ next only to the state council. Some would even say that as far as the role with the gavel is concerned, the EPB vice minister is the second most powerful man next only to the president. He can exercise greater authority than an average-level minister if he chooses to. Chang Tok-chin and Mun Hui-kap belonged to that category.

The FTC chairman's duty and function is also of ministerial level. Under the revised Fair Trade Act, in effect since 1 April, the FTC is operationally an independent agency. The FTC, known as "conglomerates' gendarme," can rattle its sabre at any time. For political and economic reasons, people cannot but live under its thumb. The FTC chairmanship, a political appointment post, is currently filled by a vice minister but likely to be upgraded to the ministerial level soon.

The Office of Budget director, although a Grade-One position officially, has long been known as the "Minister of Budget." Whatever project a ministry or agency may plan, it needs money, for which it has to go to the Office of Budget. The reason the EPB still has influence to some degree is that it has the budget compiling function. It is a common view that the EPB would find it impossible to plan and coordinate economic policies should that function be taken away from it.

Need for Backing by the President

As for personnel of Grade-One, the top grade for career public servants, other ministries and agencies normally have only two or three each but the EPB has eight of them. The EPB also has as many as 22 bureau directors. The number of Grade-One officials in the EPB is larger than the number of bureau directors (seven) in the Ministry of Energy and Resources.

The biggest reason the EPB is not having its day in spite of all the "manpower" it has lies in its unique organizational structure. Unless fully backed by the president, the supreme ruler, it is extremely difficult for the EPB to function properly on its own. The EPB's organizational structure as provided for by the National Government Organization Act is entirely different from that of other ministries or agencies. In a nutshell, while other ministries including the MOF, the Ministry of Trade and Industry [MTI], the Ministry of National Construction [MNC], and the Ministry of Agriculture and Fisheries [MAF] are all placed under the president, only the EPB is under the control of the prime minister. The National Government Organization Act stipulates: "The EPB minister shall report to the prime minister concerning the planning and management of the economy and provide overall coordination between ministries and agencies concerned."

The EPB is a so-called staff organization of the president, while other ministries are line organizations. As far as the legal definition is concerned, no organization could be more frustrating than a staff organization. The limits of its responsibility and authority are ambiguous. Yet that does not mean that it has no authority. What is important is not the seat but who sits there. Depending on who heads it, its role and function vary.

In the EPB's work, the weight of its minister is an indispensable condition. It cannot operate successfully under a minister considered not a weighty presence. Under a heavy-class minister, it can keep other economic ministries and agencies firmly in its grip and lead economic policies at its pace, although this is no longer as easy as it used to be....

On the other hand, it is different with line organizations that implement the established policies in accordance with the rules. Extremely speaking, all they need to exercise their authority is their rule book. Line organizations have their power provided in the rule books while staff organizations have to build power for themselves by gaining the confidence of the top ruling circle. However distinguished a DPM may look, he would be a mere gavel-banging robot unless backed up by the president.

Of the DPM's in the past, those who could show their paces—with Chang Ki-yong, Kim Hak-yol, Nam Tok-u and Kim Man-che among them—all were the president's trusted men. In particular, Chang Ki-yong and Min Hak-yol so freely controlled the EPB and other economic ministries that they left numerous "legendary" episodes behind. They even had disobedient ministers and vice ministers replaced by recommending to the president. Approval of such recommendations means an awfully high degree of trust by the president.

There is a well-known story about former DPM Chang Ki-yong at a meeting of the Foreign Investments Inducement Council considering a foreign capital acquisition application, submitted by H-so-and-so Industrial Co. for the council's approval in connection with a dam construction project. It tells of the very original way he showed in the conduct of his business. At the meeting, a council member objected to approving the application on grounds that the offered security was insufficient. Then, Chang asked him, "Have you visited the place of the project?"

"Yes, I have," answered the council member.

"What did you see there?"

"Nothing but water."

"Yes, the water you saw is precisely the security," said Chang.

Then, the application was approved routinely. Other economic ministers could not dare say a word about it.

Such was the way every major policy was mapped out each time. In that connection, some may argue that under the circumstances then existing—which demanded creating something out of nothing—no one could possibly achieve anything if fundamentals and principles were made an issue. Nevertheless, it was a way that ignored the principles of administration.

Former DPM Kim Hak-yol was also known for a similar work style. The two persons, Chang and Kim, did everything they could possibly do, playing more than one role for themselves. They were in office for a relatively long period—three years five months and two years seven months respectively against the average length of tenure for successive DPM's which is one year three months.

Former DPM Nam Tok-u also left impressive footmarks. He was a capable man himself but the assistance of the then vice minister, Chang Tok- chin, was a more decisive factor in his case.

Also extraordinary was Kim Man-che, the DPM in the Fifth Republic. He could accomplish a number of big things such as the liquidation of insolvent enterprises because he had the backing of the "power" as well illustrated by the way he so swiftly got rid of the head of the International Economic Policy Council, who held the grade of vice minister, and dissolved the council immediately after taking office. If it had not been for that power, he could have done little more than being dragged around by the MOB and MIT ministers and the senior presidential secretary for economic affairs only to backstop their work. After his retirement, Kim Man-che confided to close sources that while in office, he was often asked by President Chon Tu-hwan "Who among the ministers are refusing to cooperate with EPB policies?" but that he kept mum.

Is He "Our Minister" or Just "a Transient"?

When a new minister is appointed, ministry or agency employees try to find out whether he is "our minister" or just "a transient" before deciding their work attitude under him. Thus, a minister who has no opinion of his own and who is deficient of driving force and of the president's trust would simply fade away. The EPB's case is no exception.

The economic team of the Sixth Republic, which set sail with the current of democratization and a vow to end authoritarianism, is unfortunate in some aspects. Since the democratization meant for each to find his or her place, each ministry and agency began demanding its "independence," leaving the EPB no ground to stand on.

As the leader of the Sixth Republic's first economic team, former DPM Na Ung-pae failed to put a brake on their advances; inside the EPB too, he was eclipsed by Vice Minister Mun Hui-kap, who was in control for all practical purposes. He was even unable to control his EPB, not to mention other ministries. Former DPM Cho Sun, who led the second economic team of the Sixth Republic, had to fight it alone with no one following him.

A leading economist in our country, Cho Sun had to find himself in a tight corner from the very first days as DPM. He failed to promote the person who was his choice for vice minister. Several months later, he made an "emergency recommendation" to President No Tae-u asking him to replace the vice minister who was in disharmony with him. The request was ignored. It was known that DPM Cho Sun had attempted to set up a team of Yi Chin-sol as vice minister and Kang Pong-kyun as assistant vice minister under him. The two persons had been called the best possible combination in the EPB. The

Yi-Kang team eventually materialized under DPM Yi Sung-yun in the present Cabinet.

For nearly two months after taking office, Yi Sung-yun also had a tough time with internal personnel problems. He tried to release one of the Grade-One persons to a post he arranged outside EPB before carrying out a reshuffle but things did not work out the way he had planned. He had to go all the way to make what is tantamount to a special petition to President No Tae-u before finally obtaining one vice ministerial-level official (member of the Board of Audit and Inspection).

The EPB's duty covers extremely large areas. There are few areas not touched by the EPB. This does not mean, however, that it has its own fixed work. Most of the work it does is coordinating. When any ministry or agency plans to do something that needs money, regardless of the amount, it has to work through the EPB with no exception. Referring to its role as the coordinating of plans is a complimentary way of saying it; in fact, ministries or agencies involved would invariably take it as interference or even fault finding. Harsh words might be exchanged between working-level officials. If they fail to reach a compromise, the matter is taken up to the ministerial level. And if the ministers fail to work it out between them, it is decided by Chongwadae. This kind of thing happens quite frequently.

The Sixth Republic government, promoting Nordpolitik, decided in August 1988 to create an office to exclusively handle economic cooperation business with communist-bloc nations and form a private economic organization (the Private Economic Cooperation Council). This triggered a leadership struggle among the EPB, the Ministry of Foreign Affairs [MFA] and MTI. Each demanded that the new office be placed within its ministry, MTI citing foreign trade policy needs for its reason and MFA dwelling on the need for strengthening economic diplomacy. Eventually, it was decided to put it in the EPB.

The decision was based on the conclusion that trade with communist-bloc nations is not a solely economic undertaking and therefore essentially requires consultations with noneconomic ministries and agencies, that at the same time, it involves all the economic ministries in charge of finance, communications, shipping and construction as well as trade, and that therefore, it is most reasonable for the EPB to assume the general control and coordinating role.

Meanwhile, the controversy over the Korea Heavy Industries privatization issue led to a sharp confrontation between EPB, MTI and the senior presidential secretary for economic affairs. After ups and downs, it was finally decided to leave it as a public corporation. But the friction thus caused between ministries and agencies went on and reached its peak as DPM Cho Sun even tendered his resignation.

"Doing Everything, Yet Doing Nothing"

The EPB has to fight every ministry and agency including the party over economic measures, real estate measures, counter-labor dispute measures, price control policy, trade programs, industrial restructuring and investment priorities.

The debate on business conditions and the related economic measures that began in the second half of 1988 continued through the end of 1989. Controversies continued over the proposed reforms, including a public land corporation concept, an overall land tax system and mandatory use of real names in financial transactions. The real name plan disappeared when the Cho Sun team stepped down, while the overall land tax plan was diluted drastically.

For real estate measures, the EPB has to work with the MOF, MNC, the Ministry of Home Affairs and NTA. It may appear to be the MNC's business but there would only be a mess should it be left to it. The reason is that a ministry in a so-called influential position is apt to act high-handedly and arrogantly. Work on a policy involving two or more ministries invariably requires the EPB to play the role of traffic control. The major cities traffic control measures (27 trillion won in the projected cost) announced by the Office of the Prime Minister were also prepared by the EPB, although the announcement came from another office.

According to its table of organization, the EPB is linked to central departments of all the economic ministries. Moreover, the connections are double and triple. Among them are: the Fund Planning Division to MOF (over fiscal and monetary measures), the Regional Investment Planning Division to MNC (over real estate measures), the Human Resources Development Planning Division to the Ministry of Labor (over labor-management measures), the Social Development Planning Division to the Ministry of Health and Social Affairs (over welfare policies), and the National Life Division to MAF (over farm price policy). Meanwhile, the EPB's Policy Coordination Bureau has links with MTI, MNC, and the Science and Technology, Energy and Resources, Communications, Transportation, and Environment Ministries.

In the Office of Budget too, officers are distinctly apportioned to business dealing with specific ministries, including noneconomic ministries. If the MNC plans to build a freeway in a certain area, it cannot do so without first subjecting it to deliberations by the Office of Budget. Even if the Ministry of Home Affairs plans to upgrade equipment for investigations by security officials, it cannot do so without the plan being reflected in the budget.

Meanwhile, the EPB Inspection and Evaluation Bureau examines and analyzes major operations of not only government-financed corporations but various ministries as well. For instance, if the Korea Electric Power Co. plans to increase utility rates, it has to obtain the approval of the Price Policy Bureau and, in addition, consult the Office of Budget, the Inspection and Evaluation Bureau and the Policy Coordination Bureau. On top of it, the EPB also has the power to examine and analyze progress in the implementation by other ministries and agencies of such programs as the water pollution prevention measures, the administrative agencies computer network project, as well as plans to establish policies for science and technology developments and to create industrial-agricultural zones.

Nevertheless, speaking of the kind of work that it would have to roll up its sleeves to do, the EPB has almost none. The reason is that it has no policy executive function. Therein lies the reason why the EPB is criticized for "doing everything, yet doing nothing."

Losing Its Hold on the Sword; Exposed to Rising Criticism

Na Ung-pae, who had served as MOF minister and MTI minister, said when he was EPB minister that the MOF is "powerful," the MTI is "colorful" and the EPB is "honorable."

Such key economic policy instruments as the interest rates, monetary decisions, exchange rates, foreign exchange control and the tax system are all under the control of the MOF. A DPM presides over or serves as chairman of as many as 17 major policy deliberation bodies including the Economic Ministers Council, the Population Policy Council, the Working Committee on Housing Policy and the Industrial Policy Deliberation Committee. All of these setups, however, would have little business to conduct without the MOF's cooperation. Although the EPB indeed has the budget compiling function, its scale is limited and moreover it comes only once a year (except the case of a supplementary budget) to give the EPB an opportunity to wield its power. And even with that, the EPB has to work through the National Assembly on everything related. The MOF's monetary policy instruments and tax policies constitute the key point of all economic policies. Without tax systems and policy instruments to work with, no policies can be fully effective. In the days when the DPM power was something absolute, even the MOF had no alternative but to be obedient. In those days people in economic ministries sarcastically called MOF "the EPB's fiscal and monetary branch," MTI "the EPB's industry and trade bureau," and MAF "the EPB's agricultural administration bureau."

However, the EPB has now sunk into obscurity. In the Fifth Republic days at least, the government (EPB, that is) unilaterally determined and put in force the wage increase rates and the fall grain procurement prices. Nowadays these policies are structurally becoming hollow from inside. It has become a routine that EPB and MAF quarrel over the fall grain prices every year. While the EPB persists in a single-digit increase for the sake of price stability, the MAF demands more (over 10 percent, that is) for an increased income for farmers. Inasmuch as they have to argue with other ministries and interest groups on every matter that comes between them, EPB officials must be well armed theoretically. Since they no longer have the sword of influence to hang on, they will have no ground for themselves to stand on should they even lose the battle of words. One seldom sees poor talkers among EPB officials. Whoever tries to climb the ladder of success in the EPB must first of all be a good talker. To defeat the logic of the other party and persuade it, he must have an unambiguous logic himself plus eloquence.

That workers of other ministries teasingly call EPB officials "communists" is because they find themselves no match for those officials with their absolutely logical words. Heads of major EPB bureaus and divisions are even capable of taking on college professors and other specialists in impromptu television debates with no difficulty.

It is for this factor, they say, that the EPB drew the attention of the revolutionary leadership—and eventually took the economic policy initiative—in the military government days following the 16 May [1961] coup d'etat and in the first days of the Fifth Republic. The military leadership was unfamiliar with the economy and therefore was easily taken by people versed in macroeconomics when the latter explain the economic problems and economic measures logically and in plain language. The EPB men provided the logic of high growth or stability or reform depending on the demand of the times.

Weakening of Status Conspicuous

Compared with other ministries and agencies, fewer civil petitions come to the EPB. Consequently, it basically hates to keep things in status quo and tries to find work for itself. Otherwise, there could be no reason why the EPB should exist. Economic planning moves are mostly initiated either by the EPB or by ex-EPB officials.

The "17 April (1979) comprehensive plan for economic stabilization" announced by Shin Hyon-hwak, the then DPM, was a revolutionary one at the time, calling for a slowdown of the economy's high growth that was fueled by an export drive and, in its place, for stabilization measures including curtailed investments and fiscal entrenchment. Major policy moves, such as those for the reduced interest rates, a loan freeze, budgeting based on a zero increase, import liberalization, a public land corporation concept, use of real names in financial transactions and an overall taxation system, were mostly made by people who worked in the EPB at one time or another.

If the MOF is seen just sitting around doing nothing but hanging on to its authority despite the need for a turnaround in policy, and if it should turn defiant, EPB people just went in and took over. Thus, in 1982, the early days of the Fifth Republic, ex-EPB officials went in to form the MOF leadership line-up including the minister (Kang Kyong-sik), vice minister, assistant vice minister, and the directors of the Financial Bureau and the Banking Policy Division. So much so that the EPB was well said to have taken over and colonized the MOF.

In Chongwadae then, the late Kim Chae-ik, ex-director of the EPB Planning Bureau, was in control of economic policy as senior presidential secretary for economic affairs. This meant that Chongwadae, the EPB and the MOF became united in one. It was the time when the plan for use of real names in financial transactions was pushed. Needless to say, it had the full backing by former President Chon Tu-hwan, who held the absolute power in his hands.

However, those "veteran fighters" reassigned to the MOF from the EPB mostly withdrew later. It is said that they were unable to prevail over the MOF practice of lording it over newcomers. In effect, the EPB was pushed out by the MOF. The MOF is exceedingly conservative over such policies as dealing with confidence in currency and the exchange rate. It is indeed natural that the MOB should be so as a ministry that controls money but, in the view of the EPB, it is often too much so.

Last year the MOF strongly rejected a cutback on the interest rates. It was for that reason that DPM Cho Sun put up an ad balloon that "the interest rates will come down" in November last year in a move to make the MOF follow the lead. When officials of the Ministry of Energy and Resources doggedly opposed a cutback on the electricity rates, the EPB again just went ahead and announced the reduction. The EPB's strategy was to make them respect the public mood and follow its lead. It acted the same way over the city gas rates and the telephone charges. Within the economic team, the EPB's standing had become so weak that it had to rely on Operation Ad Balloon each time to push a policy.

EPB as Delivery Room of Talent

EPB officials have unusually high self-respect. Many of them chose to join the policy-making agency, shunning other departments (executive ministries and agencies) that are "lucrative" with civil petitions. Although the prestige of the EPB is not what it used to be, EPB officials are still regarded as the elite of the elite.

The dazzling spotlight it received in the course of economic development naturally attracted throngs of elite bureaucrats to the EPB. Even at division chief levels, it is difficult to find persons who did not receive overseas training. Furthermore, since it is a place where one cannot last without studying, officials simply cannot do without reading books all the time. As many as 11 of them have their doctorates.

In particular, the Economic Planning Bureau, the Office of Budget and the Policy Coordination Bureau are thronged with brains. The Economic Planning Bureau is a key branch in charge of the 5-year economic program, the fiscal and monetary policy, the labor-management measures and the real estate measures, although it has no secular power. So much so that an EPB official who has no experience in the Economic Planning Bureau job will likely have a problem in his career. Despite the fact that it is a "cold" place where they would never have an opportunity worth a free decent launch, young bureaucrats seek the job there.

The list of the successive Economic Planning Bureau directors is impressive indeed. Included among those who served in the post in the 1970's and thereafter alone are: Yi Kyong-sik (former senior presidential secretary for economic affairs, presently president of Daewoo Motor Co., Ltd.), Choe Chang-nak (vice president of the Federation of the Korean Industries), So Sok-chun (former DPM), Kang Kyong-sik (minister of finance), Kim Chae-ik (former senior presidential secretary for economic affairs), Yi Chin-sol (EPB vice minister), Yi Hyong-ku (former EPB vice minister), Kim Tae-yong (vice minister of national construction), Kang Pong-kyun (EPB assistant vice minister), and Han I-Hon (DLP expert advisor). In the EPB, the Economic Planning Bureau director is called "the little DPM." DPM is an English abbreviation standing for deputy prime minister.

The director of the Economic Planning Bureau is the DPM's other self. If he makes a wrong policy judgment, the DPM will be in trouble. Policy judgments are mostly done by the director. It is the Economic Planning Bureau director who does the actual work with working-level officials, although he has the assistant vice minister, the vice minister and the minister above him. For instance, the director is required to diagnose whether the economy is still in a slump or shifting to a recovery, or whether exports will recover. Appointment to directorship of the Economic Planning Bureau is considered the biggest promotion.

The Office of Budget has practical power. It deals with the nation's budget amounting to approximately 32 trillion won (as of 1990) including both the general and special accounts. All 45 offices of our government including the executive, legislative and judiciary branches are required to receive their budget appropriations through this office. The Office of Budget director, exercising virtually ministerial-level power, has three bureau-director-grade officials under him. The office has 12 divisions respectively dealing with offices assigned.

"Cutting" is the business of the Office of Budget. If all the requests of ministries and agencies should be honored in compiling the budget, the nation's housekeeping would be bankrupt at once. The limited revenue sources make it inevitable to cut back on the amounts demanded. Officials find their power in the cutting process. When there is a personnel change in the Office of Budget, the office of minister in various ministries and agencies concerned would immediately obtain information on replacements. There is nothing they would not do to get even a cent more in their budget. The hustle and bustle in the Office of Budget in July through August each year, when the budget compiling is in full swing, is reminiscent of crowds in a countryside market. It gets thronged with visitors ranging from ministers, mayors and National Assembly members to ministry and agency budget officers. Last year, there was a minister, named H-so-and-so, who personally visited the division handling business of his ministry and shook the hands of every worker there, saying "I will be counting on you." His behavior was frowned at, for the intention was so obvious.

The Office of Budget is the only EPB department whose personnel are invited out to lunch even by officials of the Chongwadae Secret Service and the Agency for National Security Planning as well as the prosecution. Among those who served as the Office of Budget director in the past are Environment Minister Cho Kyong-sik, DLP Assemblyman Mun Hui-kap (former senior presidential secretary for economic affairs), EPB Vice Minister Yi Chin-sol, North Cholla Province Governor Kang Hyon-uk, and Yi Yang-sun, member of the Board of Audit and Inspection. Those heading the Office of Budget and the Economic Planning Bureau are customarily in line for promotion within EPB or transfer to another agency with promotion.

As Many as Nine Assemblymen Are Ex-EPB Officials

The Policy Coordination Bureau is more or less deficient of weight in comparison with the Office of Budget and the Economic Planning Bureau. Nevertheless, it does the planning for such major industrial programs as heavy chemical industry investment coordination, coordination of public corporations and liquidation of insolvent enterprises, as well as traffic measures and high-tech industry development plans. It controls the object economy. Among those who served as the director of the Policy Coordination Bureau are Pak Yu-kwang, director of the FTC secretariat; Kim Yong-tae, director of the Planning and Management Office, and DLP expert adviser Han I-hon.

The Price Policy Bureau is another EPB key department. Every economic team comes up with price stability as its slogan. Price stabilization is something that is pushed for at political levels for maintaining the administration. Among the veteran bureaucrats who served as the Price Policy Bureau director are [Finance Minister] Kang Kyong-sik, [EPB Vice Minister] Yi Chin-sol, Vice Finance Minister Chin Yom, FTC Chairman Choe Su-pyong, Yi Yang-sun [member of the Board of Audit and Inspection]; Pak Chong-pu, director of the EPB Office of Budget, and Kim Tae-yon, second coordinating officer of the Office of General Affairs.

Also, among ex-EPB bureaucrats, as many as nine of them are incumbent National Assembly members, all from the DLP. Assemblyman Hwang Pyong-tae (the RDP faction), who was one of the leading men in the political realignment through the three-party merger, was EPB assistant vice minister for operations (from March 1970 through February 1974), while Assemblyman Mun Hui-kap, elected in a by-election from Taegu West-A District served as EPB vice minister from July 1985 through December 1988. No In-hwan, Yi Ung-son, Chang Yong-chol, Choe Kak-kyu and Cho Kyong-mok also once worked in EPB. Also, Minister of Energy and Resources Yi Hui-il (former DLP assemblyman, of the NDRP faction), who resigned as National Assembly member when he joined the Cabinet, is an orthodox EPB man who in the past served as the director of the Economic Planning Bureau and the Office of Planning and Management.

EPB has the Research and Statistics Bureau as an extra-ministerial bureau, which is expected to be upgraded to an Agency of Statistics toward the end of this year. Also, as a result of FTC's reorganization as an independent agency, the Office of Fair Trade that had been under DPM's direct control assumed the secretariat's role for FTC.

Also under the EPB's control are three research organizations—the Korea Development Institute, the National Economic System Institute, the Foreign Economic Policy Institute—and the Korea Consumer Protection Board. The Office of Supply also belongs to the EPB.

It is known that Korea is the only country that has an organization like the EPB. Japan has its Economic Planning Agency but its function is entirely different from that of our EPB.

The predecessor of the EPB in our country is the Ministry of Rehabilitation. General Pak Chong-hui, who successfully led the 16 May military coup, created the EPB in July 1961 by merging the Budget Bureau of MOF, the Statistics Bureau of the Ministry of Home Affairs, and the General Planning Bureau and the Materials Mobilization Bureau of MNC.

The Ministry of Rehabilitation had no other function than the coordinating of planning. To successfully push the planning of development, the creation of a "super ministry" with the combined functions of planning and budget was needed. At the time, the government, finding domestic capital alone to be insufficient to fund all the development programs, pushed for acquisition of foreign capital. And the EPB was even given that acquisition authority. Thus, the EPB drove its economic planning on the two wheels, the state budget and foreign loan.

Will EPB Regain Its Glory?

Will the glory return to the EPB? Former DPM Cho Sun in his farewell speech, and DPM Yi Sung-yun in his inaugural address respectively called on personnel to strive to put the EPB back into the place of glory again. The two persons may have used the word "glory" to mean a different thing; however, they agreed on the need for revitalizing the EPB.

Former DPM Cho Sun, at his last tete-a-tete with President No Tae-u immediately before the latest Cabinet reshuffle, reportedly asked the president to strengthen the EPB, stating that "a weak EPB means difficulty for the Korean economy." In view of the economic conditions surrounding our country, he made clear that the EPB's function must be strengthened markedly. What he meant is that if the coordinating of different opinions of different ministries and agencies and business talks with interest groups are to be conducted in a timely fashion, it is necessary to strengthen the EPB's function. DPM Yi Sung-yun also stressed that the EPB should fully function as the pivotal economic policy organ.

If the EPB is to be revitalized, it must first of all row with the current of the times in leading economic policies. It should by no means repeat the pattern of controlling other ministries and agencies as a way of strengthening its function.

It is true that presently, the authority of the DPM post is too limited in comparison with its responsibility. The DPM is held responsible for every economic policy of another ministry or agency that has failed, regardless of whether there were prior consultations with the EPB. A good example is the "12 December stock market pump-priming measures" put forth by the MOF last year.

On the other hand, its authority and policy instruments available to it are limited. Although DPM Yi Sung-yun promised an amazing recovery program and sweeping anti-speculation measures right after he joined the Cabinet in the 17 March reshuffle, he became quiet a few days later. Once he got down to it, he had to find that there were few trump cards he could use.

There are many people who still think that the EPB has awfully great power. A glance at things inside the EPB, however, shows that it is a case of outward luxury but inward wretchedness, that it is an office of limited authority.

Former DPM Cho Sun also once said that "The EPB's authority is too limited." "It was an overestimate of the EPB that former EPB Minister Na Ung-pae characterized it as an 'honorable' office," he added, jokingly.

In contrast, DPM is an exhausting office. A man of average health can hardly last in it physically. In the cases of both Cho Sun and Yi Sung- yun, they had to go to a hospital three days after taking office. Both received dental treatment.

A DPM is required to preside in person over the economic ministers conference and the economic ministers consultative conference. In addition, there are numerous irregular committee meetings. The nature of the office makes it difficult for a DPM to send a proxy to preside over such meetings, while on the other hand ministers of other ministries can easily send their proxies.

The Fading Pride

Personnel of the EPB's key departments have as great a passion as any DPM has. The lingering pride would make them say that as long as the lights keep burning in the EPB offices, the future of the Korean economy is bright. Old-timers nostalgically remember the good old days, reminiscing of the old joke that EPB meant the Energetic Planning Boy by day, the Exhausted Planning Boy by late afternoon and the Energetic Play Boy by evening.

Nevertheless, the EPB's pride and confidence are fading as time passes. A senior officer, offering his advice to those young rank-and-file officials who were transferring to the NTA to find a "new career" for themselves, said that they "must not forget the pride of having worked in the EPB." His words speak eloquently where EPB stands now.

Sin Hyon-hwak, former chairman of the Administrative Reform Committee and an ex-EPB minister, in the final committee report presented last year put forth EPB reform plans including scrapping of the inspection and evaluation system, upgrading of the Research and Statistics Bureau into the Agency of Statistics and independence of FTC. All these had been fully anticipated by EPB people, whose reaction was that as an ex-EPB official, Chairman Sin Hyon-hwak did quite a lot to help them.

It is time for the FTC to leave EPB. It is definitely going to the Prime Minister's Office. The EPB's unanimous view is that maintaining too large a family with little power to support it only serves to bring on disharmony with other ministries and agencies unnecessarily. The Agency of Statistics side feels the same way. Price monitoring activities are to be transferred to other ministries and pertinent organizations. The EPB's tentative plan is for EPB to keep only the Office of Budget, the Economic Planning Bureau, the Policy Coordination Bureau and the Price Policy Bureau and have the rest transferred to other ministries and agencies.

Now the future depends on the economic view of the president, the supreme ruling authority. The EPB would be an unnecessary organization should he decide to go for a short-term gamble without any mid- and long-term perspectives. If short-term measures are to be established with mid- and long-term interests taken into account, the EPB must be given power.

It is essentially difficult for economic technocrats to find a way into the center of power. They are made to perform the "economic technician" role as staff members and nothing more than that. In that sense, there is a need to watch the future of Assemblyman Mun Hui-kap who was once called "Vice President for the Economy."

This is the time for the president to decide whether he will lead economic policy from a long-term perspective and push for reform and thereby become a leader to be long remembered in history, or he will become an opportunist dedicated to short-term resolution of economic problems with no regard for mid- and long-term interests. Meanwhile, it is feared that the host of elections that are upcoming will cause distortions in the economic policy area. The majority opinion of the EPB people is that it is unavoidable that the standing of the EPB is determined by the president's economic view.

Correction to Poll on Students' U.S. Attitudes

SK0808080890

The following correction pertains to the item headlined "Students' Attitudes Toward U.S. Reviewed," published in the 7 August East Asia DAILY REPORT, page 26: Second column, paragraph three, second sentence, make read: ...and 28 percent said that "the United States has exercised a good influence upon the... (changing word "bad" to "good")

Burma

'Disturbances' Reported in Mandalay, Rangoon

BK0808135290 Rangoon Domestic Service in Burmese 1235 GMT 8 Aug 90

[Text] Some monks, students, and youths created noisy disturbances in Mandalay this morning and efforts by the responsible security personnel to control the crowd were to no avail. A commotion broke out with rocks being thrown at security personnel, while some tried to wrest their weapons from them. Three security personnel and a novice monk were reported to be injured in the incident.

At about 0530 today, about 500 monks with their food bowls started off from the corner of 38th and 84th Streets and marched north along 84th Street to the corner of 26th and 84th Streets. On arriving at that junction, their numbers had risen to over 700. They marched south again along 84th Street and were joined by about 200 students and people. During this journey, youths offered food to the monks.

On arriving at the corner of 32d and 33d Streets, youths and students together with the monks shouted instigating slogans loudly to create disturbances. Although security personnel asked them not to provoke disturbances, they did not heed this request and continued with their chants. Then there was a commotion, and the monks and students began stoning the security personnel and using force to wrest their weapons from them.

Three security personnel were hit on their heads. A 15-year-old novice monk, Azeinda, was wounded on the left shoulder blade.

After security personnel shot into the air, the crowds dispersed and those injured were taken to the hospital for treatment.

At 0830 in Yangon [Rangoon] today, about 10 youths went to the Taw-win pedestrian bridge at the corner of Sule Pagoda and Bogyoke Roads and hung two wreaths made of red paper before fleeing.

At about 1330, about 100 youths gathered at the corner of Anawrahta Road and 36th Street, and one of the youths pasted posters aimed at instigating disturbances on the side of a No. 12 bus. Security personnel tried to clear the area and the youths fled in the direction of Pansodan Road and 35th and 36th Streets.

At about 1530, taking advantage of rush hour at a normally busy area at the corner of Bogyoke Aung San Road and Shwedagon Pagoda Road, five youths began chanting slogans to instigate trouble. Security personnel cleared the area and the youths fled.

At about 1600, some youths from the Pabedan area headed for the Sule Pagoda and City Hall with bouquets of flowers. Some onlookers joined them, and the crowd had grown to about 100 people when it arrived near Bandoola Park. The youths chanted slogans, instigating unrest. Security personnel cleared the area, and the youths fled.

Authorities concerned are investigating the people behind these instigations, it was learned.

Explosives, Arms Seized in Bhamo, Mandalay

BK0808141290 Rangoon Domestic Service in Burmese 1330 GMT 8 Aug 90

[Text] Members of ward, village, and township law and order restoration councils, together with security personnel, have been carrying out measures to ensure regional peace, tranquillity, and law and order in different townships. In Bhamo, while a combined force of police personnel and responsible officials of the (Kokkotaw) Ward Law and Order Restoration Council was performing security duties, it raided the residence of U Tun Tin and Daw Labang Ku at 0700 on 25 July. Found during the raid was demolition equipment made in a foreign country—86 slabs of TNT, one container for explosives, 1,000 electric detonators, 1,000 ordinary detonators, a plastic clock to be used in a timing device, four small batteries, and a packet of explosives. Legal action has been taken against the owners of the house.

Similarly, in Mandalay, while security personnel were conducting security duties at 1545 on 7 August, they saw a suspicious looking pedicab with no license plates at Ye Sin corner, on the road to the old city. When the pedicab was stopped, its two passengers jumped out and escaped. A package was found in the pedicab containing a homemade sawed-off double-barrel gun, a homemade single-action gun, a homemade Sten gun, two grenades, two detonators, 11 double-barrel shells, 19 rounds of 7.62 shells, 10 rounds of carbine ammunition, and 10 rounds of 9mm ammunition.

Chit Swe, 43, the pedicab driver, was questioned about his passengers who had been carrying the arms and ammunition. It was learned that the two had ridden a Myingyan-Mandalay bus from the Myothit intersection on Rangoon-Mandalay Road.

Authorities concerned are making urgent inquiries to apprehend the two who had been carrying the weapons and ammunition.

'Massive Increase' in Troop Movements Reported

BK0908095890 Hong Kong AFP in English 0950 GMT 9 Aug 90

[Excerpt] Bangkok, August 9 (AFP)—A massive increase in troops movements in Rangoon was reported on Thursday following the apparent deaths of four demonstrators in Mandalay on Wednesday.

Diplomatic sources in the Burmese capital said there were extra lorries full of troops moving through the streets and the feared secret police were patrolling the parks. "There is no doubt tension is building up," said one diplomat reached by telephone.

Western diplomats reported on Wednesday that two monks and two students were shot dead by troops when an early morning peace march turned violent. [passage omitted]

Myo Nyunt Addresses Indine Region Units 4 Aug

BK0508101590 Rangoon Domestic Service in Burmese 1330 GMT 4 Aug 90

[Excerpts] Major General Myo Nyunt, commander of Yangon [Rangoon] Military Command, in the company of Brigadier General Sein Hla, director of training of the Defense Ministry, this morning explained to the officers, noncommissioned officers, privates, and the dependent families belonging to various military units in Indine region as well as the No. 1 Training Corps the instructions given by the commander in chief of the Defense Services, the explanation given by the secretary-1 of the State Law and Order Restoration Council [SLORC] at the 100th press conference on 3 July, and the points contained in SLORC Announcement No. 1/90.

Addressing the meeting, Commander Major General Myo Nyunt said that only when the officers, privates, and their dependent families achieve a timely understanding of the developing conditions in the state will they be able to successfully fulfill their duties. I have come here to explain those developing conditions, he said.

I wish to explain the demands for the handing over of power which are continuously being made, including through radio broadcasts, by local as well as foreign organizations following the elections. I also wish to explain attempts by local and foreign organizations to split the Defense Forces and the various threats made and the rumors being spread by some unscrupulous local organizations and personages with the aim of causing anxiety and concern among the people and the families of the Defense Services.

Regarding the handing over of power, the commander said Paragraph No. 21 [as heard] of the SLORC Announcement No. 1/90 clearly states that under today's situation, the representatives elected by the people are responsible for drafting a constitution for the future democratic state. Similarly, Paragraph No. 22 [as heard] also clearly states that the drafting of an interim constitution to obtain state power will not be accepted in any way and that effective action will be taken in accordance with the law against any attempt to do so.

My superiors have already explained many times before that the drafting of the constitution is a matter of life and death for the state, and therefore it will not be necessary for me to repeat that explanation again. During his news conference, the SLORC secretary-1 also explained in detail about the number of organizations wanting to use the 1947 constitution after changes, those organizations which said they wanted to draft a new constitution, and those organizations which are believed to be in favor of the drafting of a new constitution. We will never accept a constitution that, despite being so important to all the nationals in the state, is drafted only by an organization or a group of people who represent a minority. We have stated quite firmly that we will only hand over power in accordance with a state constitution that is accepted by all the people.

Today, some national groups have been writing about and saying that they should have their own territorial state and that their rights should be recognized. Some, however, say that territorial states should be demarcated on the basis of racial origin and not [words indistinct]. There are a total of 135 national groups in the country and it is unnecessary to say that it is important for the constitution to be in harmony with the wishes of all these national groups. If the constitution is not strong and definitive, there will be further dissatisfaction among the national groups and the union will disintegrate. We cannot let such a situation arise and have therefore been explaining the need for a strong constitution.

Regarding attempts to divide the Defense Services, the commander said: As I have explained quite often before, attempts to gain the sympathy of the Defense Services personnel and their family members have been made through writings and verbal statements that peace will be established and there will no longer be a need to fight the war. We held peace talks in 1963 without setting any preconditions because of our ardent wish for peace. We did not succeed, and all of you know this. It is easy to understand whether it is possible to reach an understanding with all the insurgent groups. Military means are an extension of politics and constitute the ultimate exercise to resolve a problem that cannot be solved politically. Since this is true, Defense Services personnel, in order to fulfill their three tasks, should not get wrong ideas and should use their own judgment to understand if the propaganda of not needing to fight a war can really be true.

We have joined the Defense Services because of our own conscience and through our own decisions. This being the case, we must know the true conditions and stand on the side of, and work in the interests of, the state and the people. The commander in chief of the Defense Services had called on us to be prepared to face all dangers; hence we must always heighten our military and security vigilance and keep a close watch to prevent threats from abroad.

Some foreign broadcasting stations have been saying that they will punish us and impose economic sanctions if the power is not handed over. Our people and our Defense Services have a tradition of taking up whatever arms we could find to fight back even in the colonial days. We will not allow ourselves to be enslaved again. In the nations that were run and menaced by foreign troops, fatherless children have been grabbing hold of photographs of foreign soldiers and asking where their fathers are. We cannot permit such a situation to arise. It is necessary to firmly understand that our duty is to prevent a situation from happening to our citizens as a result of giving birth to such children.

Regarding attempts to cause anxiety and concern among the people and the family members of Defense Services personnel, the commander said: As you officers and soldiers have already heard by now, the BCP [Burma Communist Party] underground elements have again started spreading rumors about what the people will do to their parents and the relatives of the military personnel on the Four-Eight's [8 August 1988] anniversary [of the mass uprising]. Family members of military personnel should not fear anything. We will never let a situation similar to the one in 1988, in which innocent people were killed and people lived in fear, occur again. We already know their tactics and are determined to take preemptive measures to prevent that situation from arising. People have already gone through that 1988 period with fear and anxiety, and we promise that such a situation will not arise again.

In order to create disturbances, veteran BCP members have been instigating unrest through such slogans as, "Keep your belongings packed!", "Confrontation is unavoidable!", and "Be brave enough to die!" Young soldiers and their family members will not know that some military personnel were once lured underground through such tactics. Some soldiers and their families who believed in what they said and followed them faced starvation in the jungles while their leaders returned to the legal fold, enjoyed all the privileges provided by the state, and now resort to all possible tricks to achieve the disintegration of the Defense Services. [passage omitted]

In conclusion, the commander said if you do not think seriously and wrongly believe in the superficial promises of democracy and peace and in the words about not needing to go to battle anymore, the country will be enslaved again and you will be like the traveler who, because of his desire for the golden (?bell) in the tiger's mouth, fell for the lies of that tiger and was drowned in the lake and eaten by the bad tiger.

Tribunal No. 4 To Hear Complaint From Sittwe

BK0708162190 Rangoon Domestic Service in Burmese 1330 GMT 7 Aug 90

[Text] The Government of the Union of Myanmar [Burma] has issued Announcement No. 23/90 dated 7 August 1990—the second day of the waning moon of Wagaung, Myanmar era 1352. The text of the announcement reads:

Subject—Investigating Elections Complaint

1. Election Tribunal No. 4, which was formed by the Government of the Union of Myanmar in accordance with Article 65-A of the 1989 People's Assembly Elections Law, shall investigate the complaint filed by the following person.

Name of person who filed: U Maung Tha Zan [candidate for Arakan League for Democracy]
Persons against whom the complaint is filed: U Shwe Ya [elected candidate from Kamans National League for Democracy] and six others
Name of constituency: Sittwe Constituency-1, Rakhine State

By the authority vested in me
Signed: Maung Ko, secretary, the Government of the Union of Myanmar

Tribunal No. 5 To Hear Thangtlang Complaint

BK0708162390 Rangoon Domestic Service in Burmese 1330 GMT 7 Aug 90

[Text] The Government of the Union of Myanmar [Burma] has issued Announcement No. 24/90 dated 7 August 1990—the second day of the waning moon of Wagaung, Myanmar era 1352. The text of the announcement reads:

Subject—Formation of Election Tribunal No. 5

1. In accordance with Article 65-A of the 1989 People's Assembly Elections Law, the Government of the Union of Myanmar has formed Election Tribunal No. 5 with the following members:

A. U Than Maung, retired deputy secretary, Ministry of Defense, as chairman;

B. U Aung Kyi, retired law adviser of the Central Law Office, as member;
C. U Pe Thein, retired grade 1 law officer, Supreme Court, as member.

2. Election Tribunal No. 5 shall investigate the election complaint filed from the following person:

Name of person who filed: U (Naw Ok)
Persons against whom the complaint is filed: Dr. Hmu Tang [elected independent candidate] and three others
Name of constituency: Thangtlang Township Constituency, Chin State

By the authority vested in me
Signed: Maung Ko, secretary, the Government of the Union of Myanmar.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Views Mideast 'Crisis' Upon Return

BK0808160090 Kuala Lumpur Domestic Service in Malay 1430 GMT 8 Aug 90

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed said that any action to be taken against Iraq should be based on the United Nations decision. He said that Malaysia will not oppose the formation of a multinational force by the United States in Saudi Arabia. The prime minister made these comments to newsmen at the Kuala Lumpur international airport upon his return from an official visit to Venezuela.

The prime minister stressed that Malaysia will adhere to all decisions made by the United Nations Security Council concerning Iraq. He also urged the international community to cooperate in resolving any problems involving an invasion by a large nation on its smaller neighbor. This is the principal problem. He said a problem cannot be solved by invading another nation or setting up a puppet regime.

Concerning freezing Kuwaiti and Iraqi assets in Malaysia, the prime minister said that the government will wait for a decision from the United Nations Security Council.

On the possibility of the United States facing a deficit as a result of the Iraq-Kuwait crisis, the prime minister clarified that Malaysia wants to see a prosperous world. According to the prime minister, oil prices should be maintained at the desired level of US$20 to US$21 per barrel. The prime minister also said that the government will review the country's economic development within the context of the current world situation.

Ministry Advises Malaysians To Leave Kuwait

BK0908015890 Hong Kong AFP in English 2046 GMT 8 Aug 90

[Text] Kuala Lumpur, Aug 8 (AFP)—The Foreign Ministry has advised all Malaysians to leave Kuwait in view of the fluid situation there and said it was making arrangements to evacuate them, BERNAMA News Agency said Wednesday. In a statement issued here, the Foreign Ministry said it has instructed the Malaysian embassy in Kuwait to advise all Malaysian citizens still in that country to leave.

The statement said the ministry has been unable to ascertain whether foreigners are allowed to leave the country freely.

The statement said the ministry had approached the Iraqi ambassador in Kuala Lumpur to convey a request to Baghdad to ensure the safety of Malaysians in Kuwait, as well as in Iraq. The ministry said it had also asked for help from the Iraqi embassy to restore communication links with the Malaysian embassy in Kuwait, which have been cut off since last Friday.

There are 240 Malaysians, including 40 students, in Kuwait. Six other Malaysians are also reported to be held with Kuwaiti servicemen at a naval base seized by Iraqi troops outside Kuwait City.

Travel Restrictions to DPRK, Cuba, Albania Off

BK3007100590 Kuala Lumpur BERNAMA in English 0809 GMT 30 Jul 90

[Text] Kuala Lumpur, July 30 (OANA-BERNAMA)—The government has decided to lift all restrictions for travel to North Korea, Cuba, and Albania with immediate effect, Deputy Home Minister Megat Junid Megat Ayub has said here. He said the decision was made last week. "Malaysia is a liberal country and we feel that these countries are no longer a threat to our security," he told reporters Sunday.

Prior to this, those intending to visit these three countries are usually vetted by the Police Special Branch before visas are issued. Now, they only need to go through the normal procedures as for other countries, he said.

Megat Junid said the only two countries still out of bounds to Malaysians are Israel and South Africa.

He added the government was taking a serious view of reports that Malaysian international passports were being sold abroad by some people for large sums of money.

Slow Screening of Boat People Alarms Government

BK0108060090 Kuala Lumpur BERNAMA in English 0450 GMT 1 Aug 90

[Text] Kuala Lumpur, Aug 1 (OANA-BERNAMA)—Malaysia is alarmed by the grindingly slow screening of the thousands of Vietnamese boat people still languishing in two camps in the country to determine those that could be accorded the refugee status.

The daily, NEW STRAITS TIMES, reported Wednesday that only 2,053 have been screened since the process began on August 28 last year. Out of that, only 484 qualified for refugee status and hence assured resettlement in third countries.

The paper (?quoted) a well-placed Malaysian source as saying that the process was slow because only six out of 30 Malaysian officials working with UNHCR [United Nations High Commission on Refugees] officials in the screening process were involved at any one time.

"It will probably take a couple of years for the remaining boat people to be screened," the source said. With over 16,000 boat people still living in the two camps, the time needed to resolve the task might take much longer than two years the government had initially given for this purpose, the source said.

The source said it was likely that the boat people would remain in Pulau Bidong, an island off the coast of Terengganu state in the east coast of Peninsular Malaysia, for more than the two years, considering that nothing had been decided for those who did not qualify for the refugee status. They are considered illegal immigrants.

"The problem will continue to plague us for a long time unless the United States and other countries opposed to forced repatriation reverse their stand on the issue," he said.

Fortunately, an increasing number of boat people, who are not entitled to the refugee status, have volunteered to return to their homeland. Their numbers are growing by the weeks after the initial shock of rejection has worn off. As of today, 85 of them had registered for voluntary repatriation, said the source.

"The UNHCR is arranging the repatriation date and is awaiting for permission from the Vietnamese Government," an agency official said. The official said: "Once we receive the applications for voluntary repatriation, we submit them to our office in Hanoi. It will then hand them over to the Vietnamese Government."

Malaysia now provides temporary asylum to 16,611 Vietnamese boat people. A total of 3,577 are at the Sungai Besi transit camp in Kuala Lumpur while the rest are in Pulau Bidong. The screening exercise, in accordance with U.N. guidelines, is held at Kelulut camp in Cendering, Terengganu. A U.N. questionnaire is used for the exercise.

While the problem of the original arrivals are being sorted out, the two camps have also seen the birth of 4,386 babies since the first landing took place on May 3, 1975. These Malaysian-born Vietnamese have been classified as "illegal immigrants."

Ling Liong Sik, Lee Kim Sai Maintain Positions

BK2907035590 Kuala Lumpur Domestic Service in Malay 1430 GMT 28 Jul 90

[Text] Transport Minister Datuk Sri Dr. Ling Liong Sik was returned as the MCA [Malaysian Chinese Association] party president. Datuk Lee Kim Sai, minister of local government and housing, was also successful in maintaining his position as the party's vice president.

In today's MCA party election, Datuk Sri Dr. Ling secured 1,225 votes while his opponents, Wong Leong and Wong Fian obtained 303 and 31 votes respectively.

Datuk Lee secured 1,153 votes while his opponents Tan Yoke Chong, Chong Kong Sin, and Sam Soo Har scored only 132, 41 and 62 votes respectively.

The four vice presidential seats were returned to Human Resources Minister Datuk Lim Ah Lek, Mr. Chua Jee Meng, parliamentary secretary to the Ministry of Health, Datuk Yeap Pian Hon, Selangor State Executive Council member, and Deputy Education Minister Mr. Woon See Chin who secured votes totalling 1,274, 832, 726 and 678 respectively.

Datuk Kok Wee Kiat, deputy trade and industry minister, failed in his bid to defend his position.

In the election of the party's central committee members, Deputy Finance Minister Datuk Loke Yuen Yow and Dr. Ting Chew Pei, deputy minister in the prime minister's department, were among those elected.

Datuk Ng Cheng Kuai, deputy minister of culture and tourism, failed to secure a position in the committee.

Ruling Party Candidate Wins Melaka By-Election

BK2907174590 Kuala Lumpur Domestic Service in Malay 1430 GMT 29 Jul 89

[Text] The National Front retained the seat of the Kuala Linggi constituency of the Melaka State Legislative Assembly when its candidate, Encik [Mr.] Ibrahim Durung, defeated Encik Abdul Gani Lung, an independent candidate, with a 4,685 majority. Encik Ibrahim obtained 5,447 votes, while Encik Abdul Gani obtained 792 votes.

Encik Mohamed Nur Othman, an official of the Election Commission announced the election results at 2220 this evening.

Ghafar Baba Doubts Integrity of Election Watch

BK3007144990 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 30 Jul 90

[Text] Deputy Prime Minister Encik [Mr.] Ghafar Baba questioned the integrity of the Election Watch because surprisingly, the group has not commented on the recent Sabah state elections. Encik Ghafar said this to newsmen in Nilai, Negeri Sembilan state.

[Begin Ghafar Baba recording] I am surprised that the Election Watch has kept quiet on the elections in Sabah. They did not comment on whether the elections were held in a fair manner or whether the Election Commission had done its duty properly. If there was anything improper, we might have improved things for the people. However, this group has thus far kept quiet. This shows that the Election Watch is biased. [end recording]

Economic Growth Rate for 1990 Revised Upward

BK3107133690 Kuala Lumpur BERNAMA in English 0931 GMT 31 Jul 90

[Text] Kuala Lumpur, July 31 (OANA-BERNAMA)—The Malaysian Institute of Economic Research (MIER) for the second time this year has revised upwards Malaysia's growth rate, this time by 0.7 percentage points to 8.5 percent.

The MIER attributed the upward revision to positive developments in the economy in the first six months including a stronger than anticipated first quarter economic performance propelled by the manufacturing, construction and services sectors, stronger private investment, and the recent upward revision in the price of crude oil.

MIER Executive Director Dr. Kamal Salih said Tuesday that the economic expansion in the first quarter should translate into a growth of 10 percent—the best growth rate achieved over the last 17 quarters or since the recession—surpassing the 9.4 percent seen in the same period last year.

In the second quarter, the Gross Domestic Product (GDP) growth rate should be "in excess of 10 percent". However, for the second half of this year, the economy would sustain its growth but this will almost certainly be accompanied by inflationary pressures.

Overall, it would mean two consecutive years of strong growth, he told a press conference when presenting the private think tank's second quarter revisions of its 1990-1991 economic forecasts. He said other factors were the higher public sector investment in 1990 than anticipated earlier and the marked gains in consumer confidence indicated by strong consumer spending in the first half.

A significant feature of the upward growth was that it was engineered by strong domestic demand and not so much by the external sector, thus demonstrating some inner strength of the Malaysia's domestic sector fully compensating for its external weakness.

Private investment was expected to continue growing at a strong rate of about 17 percent in view of Malaysia's political stability and conducive investment policy, strong fundamentals and dynamism, Dr. Kamal said.

Reflecting the strong demand for capital goods and the rapid pace of private investments, demand for imported goods was projected to jump from Malaysian $65.2 billion (US$1 = Malaysian $2.7) in 1990 to Malaysian $75.8 billion in 1992, reflecting also the improvement in the standard of living, he added.

In view of this, he said, the merchandise trade account was expected to deteriorate to Malaysian $8 billion and Malaysian $8.4 billion in 1990 and 1991 respectively from Malaysian $10.2 billion last year. With the deterioration in the services continuing, the current account of the balance of payments was expected to worsen with a deficit of Malaysian $2.1 billion this year and Malaysian $3 billion next year, marginally higher than the MIER's March projections of Malaysian $1.7 billion and Malaysian $2.9 billion respectively.

Correction to Government Not To Freeze Assets

BK0808015790

The following correction pertains to the item headlined "Government Not To Freeze Kuwaiti , Iraqi Assets," published in the 7 August East Asia DAILY REPORT, page 34:

Column one, first paragraph, sentence two make read: ...the assets of the two countries in Malaysia are negligible." (changing word "negotiable" to "negligible")

Cambodia

Chea Sim Closes Assembly's 19th Session 9 Aug

BK0908141290 Phnom Penh SPK in French 1140 GMT 9 Aug 90

[Text] Phnom Penh, 9 Aug (SPK)—The State of Cambodia expresses satisfaction at the outcome of the first round of the Vietnamese-U.S. negotiations and hopes that the posture taken by Vietnam and the United States against the return of the genocidal Pol Pot regime will generate a broad international movement to defend the vital interests of the Cambodian people.

This was stressed by Chea Sim, chairman of Cambodia's National Assembly, in his speech closing the week-long work of the 19th session of the First National Assembly.

Dealing with the external aspect, the Cambodian leader said: The search for a political solution to the Cambodian problem is a matter of special concern for the 19th session. The National Assembly noted with satisfaction the great efforts patiently made by the State of Cambodia's Government which has overcome difficulties, particularly the perfidious maneuvers of the Pol Pot clique and its allies, who always seek to throw a monkey-wrench in the works. These efforts have achieved some initial successes, opening up great prospects for a comprehensive political solution to the Cambodian problem.

Scrutinizing the 5 June Tokyo communique, the National Assembly holds that the current situation has become greatly favorable for us to put out the obstinacy of the genocidal Polpotists who invariably seek to seize the power through military means. More than ever, the recourse to the international community's global pressure on the genocidal Pol Pot group and its sponsors has produced some really exciting and salutary effects for the search for peace for the Cambodian people. The end to the chronic war in Cambodia must be brought about in the interests of the Cambodian people. The new fascists [words indistinct] such as the Polpotists can never hold the destiny of the Cambodian people. Only general elections would offer the most legal procedure for the way to represent the people's will.

The State of Cambodia expresses satisfaction at the outcome of the first round of the Vietnamese-U.S. negotiation which not only gives the two parties an opportunity to inform each other of their respective positions but also actively contributes to the search for a political solution to the Cambodian problem, owing to the fact that the two sides have almost identical views on the opposition to the genocidal Pol Pot regime's return to power.

The State of Cambodia hopes that this posture of Vietnam and the United States against the return of the genocidal Pol Pot regime will generate a broad international movement to defend the vital interests of the Cambodian people, enabling them to fully enjoy their right to self-determination as well as their rights to settle their own affairs themselves, to live free from the threat of a genocidal regime and from any foreign interference, and to fully exercise their [words indistinct] neutrality, nonalignment, and good neighborliness.

Since the comprehensive political solution to the Cambodian problem must lead to a free and democratic election under international control and since it must begin with a cease-fire, the National Assembly of the State of Cambodia calls on all countries concerned to take concrete measures to cease all military aid to all warring Cambodian parties, eliminate sanctuaries, stop all transit shipments of arms and war materiel, move away Cambodian refugees, settle them in an area far from the armed forces of the tripartite coalition, and organize a regular and orderly voluntary repatriation.

These are effective and very sensible measures in order to shorten the time for the search for a political solution, put an end to foreign interference in Cambodia's affairs, and give the two currently contentious Cambodian governments a chance to observe the cease-fire through the first session of the supreme national council. This council will guide the implementation of agreements already signed and will organize, among other things, the elections. Then the United Nations will play a role which consists of controlling the implementation of agreements already signed between the Cambodian parties and the process of the general elections.

Regarding the progress of the search for a political solution to the Cambodian problem, the National Assembly of the State of Cambodia holds that it is time for the United Nations to adopt a neutral attitude in the solution of the Cambodian problem by expelling the Polpotists from the United Nations and leaving the seat of Cambodia vacant until a political solution of the Cambodian problem is found, or at least by handing this seat over to the supreme national council. This is under the sole condition that the council be formed according to the Tokyo joint communique.

It is the free elections under international control that will decide the fate of the two governments. Only a national assembly stemming from these free elections will be entitled to form Cambodia's next government. This is the most creative and most reasonable stance in the political solution of the Cambodian problem and the Cambodian people's right to self-determination will thereby be fully exercised. In this context, the two currently contentious Cambodian governments will continue to exist until the advent of the new government. The maintenance of the political and military status quo in the transitional period is indispensable to the life and interests of the Cambodian people and to the continuity of the daily socioeconomic life of the Cambodian people throughout the country.

From these points of view, the National Assembly calls on the other side to adopt a cooperative and reasonable attitude so that jointly we can implement the Tokyo joint communique, bring peace back to our fatherland, and rebuild a prosperous nation together.

During this session, the National Assembly adopted a resolution on the readjustment of the draft state budget for 1990 and decided to fire Vandi Ka-on from the Council of State, the post of chairman of the Legislative Commission of the National Assembly, and as member of the National Assembly. It also decided to relieve Ung Phan from his functions as minister of communications, transport, and posts and member of the National Assembly and Chheng Phon from his functions as minister of culture and member of the National Assembly.

The National Assembly elected Chem Snguon as member of the Council of State and chairman of the National Assembly's Legislative Commission, and approved the appointments of four new members of the Council of Ministers—namely, Ros Chhun, minister of of communications, transport, and posts; Yos Son, minister of education; Yim Chhaili, minister of health, and Hang Chuon, minister of culture.

Further Remarks Reported

BK0908053390 Phnom Penh Domestic Service in Cambodian 0430 GMT 9 Aug 90

[Text] On the morning of 9 August, at the office of the National Assembly, a ceremony was solemnly held to close the first National Assembly's 19th session under the chairmanship of Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the State of Cambodia's National Assembly.

On this occasion Comrade Chea Sim highly appreciated the spirit of great national unity of deputies who had deployed all their physical and intellectual efforts to express their views and constructive criticism in a lively manner while daring to speak the truth frankly and daring to think, do, and take responsibility to increase leadership efficiency at all levels of executive institutions and impede the current negative phenomenon in our society and nation.

Comrade Chairman Chea Sim stressed that this Assembly's session paid great attention to the search for a political solution to the Cambodian problem and welcomed the first round of talks between Vietnam and the United States. These talks not only provide an opportunity for the two sides to express their stances but also actively contribute to the search for a political solution to the Cambodian problem by preventing the return to power of the genocidal Pol Pot regime.

The comrade Chairman of the National Assembly also called on all deputies, upon returning to their constituencies, to strive to carry out propaganda to widely disseminate and explain in depth to the masses and people the significance of this session aimed at heightening the patriotic spirit and strengthening the national unity, strengthening and expanding the spirit of abiding by and implementing state laws, and promoting active fighting spirit and readiness to carry out the current rainy season production to raise and improve the people's living standards and to assist combatants on the front line.

Chea Sim Signs Assembly Session's Documents

BK0908061590 Phnom Penh Domestic Service in Cambodian 0430 GMT 9 Aug 90

[Text] At 0900 on the morning of 9 August at the office of the National Assembly, Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the State of Cambodia's National Assembly, signed and ratified decree laws and various documents adopted by the first National Assembly's 19th session.

Among those present on this occasion were Comrade Heng Samrin, general secretary of the party Central Committee, chairman of the Council of State, and deputy for the Phnom Penh constituency; Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, foreign minister, and deputy for the Kompong Cham constituency; Comrade Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and deputy for the Preah Vihear constituency; Comrade Chea Soth, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and deputy for the Kandal constituency; Comrade Men Sam-an, member of the party Central Committee Political Bureau, chairman of the Cambodian Federation of Trade Unions, and deputy for the Battambang constituency; Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and deputy for the Kompong Cham constituency; Comrade General Tie Banh, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and defense minister; Venerable Tep Vong, vice chairman of the National Assembly; Comrade Nu Beng, vice chairman of the National Assembly and chairman of the Cultural and Social Affairs Commission; and deputies from various constituencies throughout the country.

VOK Interviews Ieng Muli on Search for Peace

BK0808115590 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 8 Aug 90

[Interview with Ieng Muli, secretary general of the Khmer People's National Liberation Front Executive Committee by unidentified Voice of the Khmer correspondent; place and date not given—recorded]

[Summary] [Correspondent] Under the current circumstances, the search for peace for the Cambodian people seems very complicated. Please clarify the situation for our listeners.

[Ieng Muli] Despite many meetings and efforts by big powers and other countries to find a solution that would end the war in Cambodia, no final formula has been found to bring peace to our country. "The obstacle stems from the parties that do not uphold democracy, that is, from those who profess communism and despotism. These parties' objective is to cling to or seize power in Cambodia with one side relying on foreign troops and the other on its own superior military strength. This has caused peace talks to fail to take shape. All compatriots and our Buddhist clergy must have known that our KPNLF [Khmer People's National Liberation Front] headed by His Excellency [H.E.] Son Sann has sought by all means to bring all Cambodian factions together for talks to find peace for our Cambodian nation.

"I would like to inform you that there are presently two major stumbling blocks to peace: first, the establishment of a temporary authority pending the elections and, second, the presence of foreign troops in Cambodia. These issues have not yet been solved.

"Some opinions believe that Vietnam has started withdrawing troops from our country and, thereby, only the question of preparing a provisional government or administration or authority to organize the elections remains to be settled. In this context, I would like to inform you that the KPNLF has proposed a meeting. As you already know, recently in Paris H.E. Son Sann invited leaders of all four Cambodian factions to meet in order to find a formula for the creation of the supreme national council [SNC]. The five big powers and countries in Asia have also insisted that such a supreme national council should be set up as the authority to organize the elections for our people to choose a regime.

"However, there is now another obstacle: Phnom Penh leaders have made it clear that they do not want to attend any more inter-Cambodian talks; they want only to join a meeting of the SNC according to the Tokyo formula. As all our people know, the Tokyo formula cannot be implemented and cannot solve our Cambodian problem because one party is to be excluded and this party is the most powerful of the four Cambodian factions. For this reason, we have proposed that Cambodians meet again. This proposal of H.E. Son Sann has won the support of the world and of the Cambodian people. Because of this support, because our stance is correct, the people inside the country have become even more supportive of our party. As a result, Hun Sen was worried, fearing that H.E. Son Sann would become more popular. He thus spread the hint that we had the intention of joining Phnom Penh and so on in a bid to cause splits within the national government and among the resistance groups.

"All of us as well as all the other factions have known that before H.E. Son Sann sent out an invitation to the three factions to meet, and before he sent a letter inviting Hun Sen to join the talks, H.E. Son Sann had already consulted with Samdech Norodom Sihanouk. Only after he won the approval and support of the samdech did H.E. Son Sann issued the invitation to those Cambodian leaders.

"Moreover, it is my understanding that Hun Sen's current attitude is dictated by the new U.S. stance. Since the U.S. policy reversal, Hun Sen has become reluctant to negotiate with other Cambodian factions. His thinking is that since he has the Americans now, he would rather talk directly to the Americans. However, in my opinion no Cambodian solution is possible without the participation of the biggest and most powerful faction, namely, the Khmer Rouge. Without the Khmer Rouge consent, there can be no comprehensive solution in Cambodia.

"It is my understanding that Hun Sen's refusal under the current circumstances to attend a meeting by all factions to find a formula for the formation of the SNC comes from his illusion that his Phnom Penh regime can survive without holding talks with the resistance. His desire is to see the world cease support for the resistance and see himself keep control of Cambodia by carrying on his present communist, despotic regime under Vietnamese protection. If so, how can the United States begin talks with it? We do not believe that the United States would support a regime which spurns democracy that the United States has always advocated."

[Correspondent] Is the search for the Cambodian solution deadlocked?

[Ieng Muli] "Concerning the solution to our Cambodian problem, if Hun Sen remains inflexible to the point of antagonizing himself with H.E. Son Sann, who has been playing the role of a referee in persuading Cambodians into reconciling with each other, it is my belief that fighting can escalate; then only the Khmer Rouge will win victories as they would continue to attack the Phnom Penh regime. Nevertheless, I hope that the five big powers and our peace-loving and fair-minded neighboring countries will pressure Hun Sen and Heng Samrin to accept a formula for all factions to end the war in our country. I believe that the Khmer Rouge, who have announced they will intensify the attacks, also want to end the conflict by the end of 1990. I also believe that the big powers and our neighbors, such as the ASEAN countries, wish to see our SNC set up before the upcoming UN General Assembly session, that is, before September this year.

"Therefore, should all powers continue pressure on Vietnam and should the Hun Sen-Heng Samrin faction care a little more about the destiny of our country by accepting a formula in which the leaders of all Cambodian factions join hands with each other, a solution will be found by the end of 1990. However, should stubbornness prevail, fighting will continue and our Cambodian people will suffer endlessly."

[Correspondent] Samdech Norodom Sihanouk called a meeting of all resistance leaders in Beijing. So far, we have not yet received any confirmation from H.E. Son Sann. Is H.E. Son Sann going to Beijing?

[Ieng Muli] Our KPNLF supports any idea that promotes peace meetings and talks. For this reason, we proposed a meeting in Paris. Since this failed, we support the Beijing meeting. Our opinion is that a policy that cannot be applied to Cambodia is any policy that promotes continued fighting and massacre. "We will go to Beijing to attend the tripartite meeting with Samdech Norodom Sihanouk and Khieu Samphan in order to discuss the political aspect of the problem and other questions concerning the new U.S. policy. I expect the three Cambodian leaders to find a common stance regarding the formation of the SNC to be submitted to the Hun Sen-Heng Samrin faction and Vietnam for further discussion with the hope of finding a formula to end the war in Cambodia."

[Correspondent] Will there be another meeting after the tripartite meeting in Beijing?

[Ieng Muli] I am not sure whether or not there will be another inter-Cambodian meeting after the Beijing meeting. But all of us know that ASEAN wants the resumption of the Paris ad hoc committee meeting to include the co-chairmen, that is, France and Indonesia, and the four Cambodian factions. I do not have details about this. After the Beijing meeting, we might hold a meeting with Phnom Penh either within the framework of the Paris international conference ad hoc committee or any other framework. Anyway, the five UN Security Council members planned to meet again—maybe in the third week of August. "Therefore, between now and the UN General Assembly session, I believe that there will be a frantic diplomatic movement. Nevertheless, should the Hun Sen-Heng Samrin group remain intransigent in refusing to find a peaceful solution, the Khmer Rouge will not let it live in relative peace any more. I am sure that the Khmer Rouge would step up attacks against the Phnom Penh regime."

[Correspondent] What kind of SNC does the KPNLF have in mind for the best interest of Cambodia and the Cambodian people?

[Ieng Muli] Since everybody wants the SNC to symbolize national sovereignty and unity and to promote national reconciliation, the council should be the supreme arbiter of the Cambodian state that would generate national unity and sovereignty. "If this idea is supported by all factions, there will not be any argument about who is getting how many seats in the council. All factions should respect the supreme authority of the SNC so that it can become an organization of the entire Cambodian nation and not an organization of the Vietnamese puppets or a certain group."

Just because the United States has changed its policy on Cambodia, it does not mean that the Phnom Penh regime is accepted by the West. It has to change its nature first. It has to rid itself of the Vietnamese control and become free and genuinely democratic. Otherwise, I do not think the West would support such a corrupt regime which is a Vietnamese stooge.

[Correspondent] In withdrawing its support for the Cambodian seat at the United Nations, the United States said it did not want the Khmer Rouge to return to power in

Cambodia. H.E. Son Sann said he did not welcome this U.S. policy shift although the KPNLF, too, does not want the Khmer Rouge to return to power. Does this mean H.E. Son Sann did not believe that the new U.S. policy would succeed in preventing the Khmer Rouge return?

[Ieng Muli] In principle, the United States and the KPNLF share the same stance: We do not want Cambodia under the control of Vietnamese troops; we do not want a Khmer Rouge return; and we want genuinely democratic elections in Cambodia. In practice, however, we have some differences of views. In our opinion, we want the United States to continue pressure on Vietnam so that the latter will make some concessions to the West first before it gets something in return. What happens is that the United States has already made an advance to Vietnam, but we do not know what Vietnam will do in return. The United States wishes to see the United Nations come to Cambodia and organize elections. If these wishes are fulfilled, then, fine. But past experiences, such as the 1973 Paris agreement, show that Vietnam never keeps its word.

[Correspondent] According to the KPNLF, what should we do in order to prevent the Khmer Rouge from seizing exclusive power in Cambodia?

[Ieng Muli] As H.E. Son Sann once said, we must organize fair elections under supervision without outside threat. All factions must agree to the elections. The Hun Sen regime wants only three factions to participate. Consequently, the ones who are left outside would continue to fight. "If there is fighting there can be no political solution but only military solution; with military solution there can be no elections. Without elections the door is open to the Khmer Rouge, for they are the most powerful, militarily speaking. They are stronger than Hun Sen and the other two factions. Therefore, in order to prevent the Khmer Rouge return, care should be taken so that all troops are disarmed, a cease-fire enacted, and a consensus made to hold elections. This is the only way. It is imperative first to avoid recognizing the Phnom Penh regime, for it is a regime installed by Vietnam; second, to try to disarm all factions; and third, to see to it that the United Nations can come in and organize the elections."

No true Cambodians want the Khmer Rouge back in power to resume the massacre of Cambodians. When we founded the KPNLF, our first objective was to oppose the Khmer Rouge. Later, we changed our platform. Our main objective became to liberate the motherland through political rather than military means. "Now that the Khmer Rouge have not yet reached the door of Phnom Penh, the Phnom Penh side should make a step forward so we can agree with one another on allowing the United Nations to organize the elections correctly and fairly."

Indonesia

Li Peng on Continued Assistance to Khmer Rouge

BK0808144490 Jakarta TVRI Television Network in Indonesian 1400 GMT 8 Aug 90

[Excerpt] [passage omitted] Li Peng said that the PRC will continue to assist the Khmer Rouge as long as other countries continue to provide arms to the other factions. However, the PRC's support for the Khmer Rouge is not aimed at turning the Khmer Rouge into a dominant group.

Replying to a question on whether the PRC will pursue glasnost and perestroyka policies, Li Peng said in a diplomatic way that the PRC has its own tradition in carrying out reforms, which cannot be compared with those of other countries. [passage omitted]

Singapore Official Criticized for Kuwait Analogy

BK0908063090 Hong Kong AFP in English 0610 GMT 9 Aug 90

[Text] Jakarta, Aug 9 (AFP)—The JAKARTA POST Thursday criticised Singapore Prime Minister-to-be Goh Chok Tong over his warning that the island republic must not be "another Kuwait" unable to defend itself. The English-language daily, which often reflects official thinking on foreign policy, said in an editorial the statement by the first deputy prime minister was "misleading" and a "reflection of a puzzling split personality" since he also admitted the need for close economic cooperation with Singapore's neighbours.

Mr. Goh, who takes over from Premier Lee Kuan Yew in November, said Sunday that Singapore must never allow itself to become another Kuwait, a rich country but with no capacity to defend itself, and urged Singaporeans to take national military service seriously.

"Where is it that he expects a (Iraqi president) Saddam Hussein to emerge from to threaten Singapore's independence and sovereignty? "Does he expect such a power-hungry leader to emerge in Kuala Lumpur or in Jakarta... (or does he) see Vietnam—after it has managed to revive its economoy—as the Prussia of Southeast Asia?" the paper said.

After 23 years of cooperation in the Association of Southeast Asian Nations (ASEAN), to which Indonesia and Singapore belong, "we would have expected that by now no prominent leader would resort to such rudimentary techniques to create angst among his people," it added. The daily also recalled a statement by Indonesian Defense Minister General Benni Murdani two years ago to an audience including Mr. Goh in which he said Jakarta would not stand idle if the independence of Singapore were threatened.

The official ANTARA News Agency meanwhile quoted a senior military officer as saying that Indonesia would never invade another country, an act clearly forbidden by constituion. "Indonesia will not invade another country under whatever pretext, except when in defending its unity, sovereignty and independence," ANTARA quoted the governor of the National Defence Institute, Major General Sukarto, as saying at a seminar to commemorate Indonesia's 45 anniversary which falls on August 17.

KOMPAS Notes Surrender of Sago Commander

BK0408120990 Jakarta KOMPAS in Indonesian 27 Jul 90 pp 1,5

[Excerpts] Medan, KOMPAS—Abdullah Ismail bin Ibrahim, 30, who admits that he is a commander of Sago (subdistrict level of Security Disturbance Movement, GPK), surrendered to the Liliwangsa Lhokseumawe 011 Area Military Command on Wednesday [25 July]. He surrendered after being pursued and cornered by residents of the Manyang Kandang village, Muara Dua subdistrict.

In a message read by Lieutenant Colonel Akhmad Sujai, chief of Information Service, Major General H.R. Pramono, commander of Bukit Barisan First Regional Military Command, said on Thursday that Abdullah Ismail had no choice but to surrender to the authorities "because he will not be safe from the public which strongly dislikes the GPK". The surrender shows that the GPK's range of activities has greatly diminished. "It is funny when a commander is separated or abandoned by his subordinates. He may not have any more followers," Lt. Col. Sujai said. [passage omitted]

In a related development, units of ABRI [Indonesian Armed Forces], together with members of the public and local government officials, successfully ambushed six GPK members at the Ulee Rubek Barat village, Seunudon subdistrict, North Aceh district on Tuesday. Two of them, Isminar, 25, and Ibrahim bin Ismail, 28, were shot dead, while Ali Basyah, 55, Sukri, 34, Nurdin, 30, and Mahdi Amin, 30, were wounded and captured. The four are now being treated at a hospital in Lhokseumawe. [passage omitted]

Laos

Minister Addresses National Education Seminar

BK0208120590 Vientiane KPL in English 0914 GMT 2 Aug 90

[Text] Vientiane, August 2 (KPL)—A national seminar on education opened here yesterday with the participation of Education Minister Saman Vi-gnaket, deputy ministers of education, representatives of the UNICEF and of the UNDP [United Nations Development Program] to Laos, educational experts of Vietnam to Laos, delegates from various establishments under the ministry, and heads of the education services at provincial level across the country.

The minister of education and sports, who chaired the seminar, said in his inaugural speech that in line with the essence of the educational strategy for the period up to the year 2000, educational staff and teachers both at central and local levels have over the years been active in their commitment toward educational development and improvement with better quality and increased quantity.

However, he said, there has been a negative trend resulting in its deterioration that requires an immediate solution. The on-going seminar was to be held under the sponsorship of the UNICEF with a view to working out an action plan of basic education for all, the minister stressed.

Different from those held annually during the year break, this seminar is of technical nature since it involves a wide range of dicussions on the national and international documents. The documents include the [words indistinct] world statement on education for all, the assessment of education in Laos, the action plan of basic education for all in the entire country, the scope of operation in the translation into details of the educational strategy and the third five-year plan for education (1991-1995).

The semiar will last a week.

Phoumi Vongvichit Receives Bulgarian Envoy

BK0108104490 Vientiane KPL in English 0858 GMT 1 Aug 90

[Text] Vientiane, August 1st (KPL)—The acting president of the Lao People's Democratic Republic, Phoumi Vongvichit, yesterday morning granted here an audience to Ambassadress Extraordinary and Plenipotentiary of Bulgaria to Laos Mrs. Lilyana Ivanova Vasileva, who is ending her mission here.

The acting president and the ambassadress highly valued the results of the cooperation and the consolidation of friendship and solidarity between the people of Laos and Bulgaria.

The acting president also expressed thanks to the Bulgarian ambassadress for her contribution to the development of such ties.

Mrs. Lilyana Ivanova Vasileva assumed the post since March 6, 1989.

'Friendship' Medal Conferred

BK3007140990 Vientiane KPL in English 0856 GMT 30 Jul 90

[Text] Vientiane, July 30 (KPL)—A ceremony of conferring a "Friendship" Medal of the Lao People's Democratic Republic on the Bulgarian Ambassadress Mrs Lilyana Ivanova Vasileva, who is ending her mission here, took place here on July 27.

Representing the Lao Government on conferring the medal was Mr Phoun Sipaseut, vice chairman of the Council of Ministers, minister for foreign affairs.

The two personalities highly valued the results of the cooperation and the development of long-standing friendship and solidarity between the peoples of Laos and Bulgaria.

Mr Phoun Sipaseut, on behalf of the Lao Government and people, expressed thanks to the Bulgarian ambassadress for her contribution and through her to the Bulgarian Government and people for their material and moral assistance to the national defense and construction of Laos.

Nouhak Phoumsavan Greets Bulgarian Counterpart

BK0208115990 Vientiane KPL in English 0902 GMT 2 Aug 90

[Text] Vientiane, August 2 (KPL)— Mr. Nouhak Phoumsavan, president of the People's Supreme Assembly [PSA], on July 28 sent a telegram of greetings to Mr. Nikolay Todorov, president of the National Assembly of the People's Republic of Bulgaria on the occasion of the latter's election to the post.

Mr. Nouhak Phoumsavan, in his telegram, expressed warm congratulations and best wishes to his Bulgarian counterpart.

The PSA president was also convinced that with Mr. Nikolay Todorov's contribution, the friendship, solidarity and cooperation between the two countries and nationalities of Laos and Bulgaria [will] be developed in the interest of peace and of Lao and Bulgarian peoples.

Hydropower Station Planned With Japanese Aid

BK2807101290 Vientiane KPL in English 0859 GMT 28 Jul 90

[Text] Vientiane, July 28 (KPL)—Laos and Japan have agreed to cooperate in the construction of a hydropower station on Se Katam, an area linking Sekong, Attopeu and Champassak Provinces.

This is indicated in an initial agreement on feasibility study of the project signed here yesterday between the representatives of the two countries, Lao Deputy Minister of Industry and Handicraft Khammon Phonkeo, and head of the Japanese International Cooperation Agency Mr. Hayao Adachi.

The agreement specifies tasks and responsibility of each side. The Japanese side will provide capital, expertise and equipment for the survey, expected to be conducted in the beginning of the coming dry season and completed in late 1991.

In addition, the Japanese side will help improve technical skills for Lao technicians.

Thai Scholarships for Lao Technicians Noted

BK0108102290 Vientiane KPL in English 0908 GMT 1 Aug 90

[Text] Vientiane, August 1st (KPL)—The Government of Thailand has allocated 200 scholarships for short and long-term training of Lao technicians. This was executed within the framework of a cooperation program made between the commission for economic, culture, and technical science of the two countries.

Of the 200 scholarships, 170 are for short training in agriculture and other fields, and 30 for under and post-graduate studies.

The training scholarships provided for 1990 are concerned with the fields of river prawn rearing, feed production, farming system study, forestry and agriculture, soil preparation, soil conservation, water resources arrangement, agricultural development in plateaus, mulberry plantation, pest control and combat.

The first batch of 4 Lao trainees reached Thailand late last month to attend the training courses in resources arrangement, and in pest control and combat. Trainees in other branches will be successively sent there batch by batch.

This training scheme is the follow-up of the 1989 cooperation program under which the Thai Government had provided 50 scholarships to Laos.

Clandestine Radio Criticizes Trade Policy

BK0508071190 (Clandestine) Radio Station of the Government for Liberation of the Lao Nation in Lao 0100 GMT 28 Jul 90

[Summary] "According to reports from the front line and major cities in Laos, the trade policy pursued by our country's odious government is similar to those of Vietnam, the Soviet Union, Cuba and other socialist countries." In communist countries, trade is regarded as the tool of "capitalism, the archenemy of socialism," and, therefore, only the party and state leaders can engage in trade activities. In Laos, "permission must be sought from the party before anyone can perform any trade" on even small items like vegetables, fruits, and other agricultural products. "This indicates that major trade activities have been monopolized by the party or preserved for lackeys of party leaders." In other words, the party and state control trade. It is important to note that although the party and state have full control over trade activities, they cannot accomplish much because they do not have qualified personnel to handle the country's commerce. "It needs good brains and honesty as well as strong determination to serve the country to earn profit from trade." This type of person is very scarce in communist countries.

There have been many cases of corruption among leaders in the communist world. For example, family members of former Soviet leader Brezhnev in Moscow were prosecuted for corrupt practices. East Germany's Erich Honecker was also corrupt. In fact, "big communist leaders are corrupt and Lao leaders are no exception." Trade activities under the full control of the party has thus brought about "severe hardship and difficulties" to the Lao people because the money from trade has not been applied to the interests of the country. "State enterprises exist only in name. The revenues they generate always end up in someone's pockets." In most cases, authorities are allowed to earn their living through corruption in the areas where they are stationed. Considering these facts, there is no hope for foreign investment in Laos. The country lacks laws for guaranteeing property ownership, investment, banking, and financial facilities. Moreover, "the newly drafted constitution even stipulates the rule of proletarian dictatorship." For this reason, "potential investors are waiting for political changes in Laos. As long as no change in Lao politics is made, no one should ever dream of earning a profit from communist-style trade."

Youth Conscription by 'Ruling Group' Denounced

BK0408171390 (Clandestine) Radio Station of the Government for Liberation of the Lao Nation in Lao 0100 GMT 25 Jul 90

[Text] Following is news on the conscription of youths to serve as soldiers to fight the people's Armed Forces struggling for democracy in Laos and to be sent to fight and die for Kaysone [Phomvihan] in Cambodia:

According to news reports from various areas in each military region, the odious red Lao Administration has determinedly continued to forcibly mobilize Lao sons and nephews to serve in ranks of its Armed Forces. This conscription has been implemented in light of the military situation in which our combat units in each area have repeatedly carried out operations so effectively that the enemies cannot make a stand. The shortage of combat forces has compelled the odious Kaysone administration to arrest and mobilize, in a fanfare manner, the Lao sons and nephews—those who are still studying or those who have completed their schooling—to serve in the Armed Forces. Kaysone's order in this regard has been resolutely implemented in all villages, cantons, districts, (?and provinces despite rousing opposition by the people). Some have cried, some have scolded and cursed, some have fled and hidden themselves in the forests, and some have even crossed the Mekong River to the other bank. Many of them have taken up arms and joined the opposition units in the forests.

The youths who have been furiously oppressed in the severest manner are those in the 3d military region which covers Khammouane and Savannakhet Provinces—the birthplaces of the odious Kaysone ruling group. In this region, more than 300 youths were arbitrarily arrested, in a brutal manner, from Phon Ngam canton in Atsaphangthong District and from Nong Boualao canton in Sonnabouli District on 10 and 26 May and on 5 June. These youths have been sent for detention and later forced to receive training at a camp located at km marker 26 in [name indistinct].

As normally practiced, after receiving the training which is usually organized in a rough manner, some of these youths will be sent to fight and die for them in northern Laos. The others will be sent to fight the Khmer Rouge and other resistance forces in Cambodia.

As a result of the fighting in northern Laos and in Cambodia, many youths were killed and their remains were returned to their parents or relatives. [words indistinct] Many of them were wounded and were sent back to hospitals (?in Laos). According to the news reports, the (?23d), Khangkhai, and Kouli hospitals are full of wounded people.

On 5 June, the fraternal people of Paksan District also received three dead bodies of youths who were killed in a battlefield in Mok District, Xieng Khouang Province, and another body from Cambodia. The one killed in the Cambodian battlefield is Somsi from Chengdeun village in Paksan District, Savannakhet Province. All these dead bodies of the youths were cremated by their parents and relatives themselves. This picture has led the Lao people to thinking and asking the following questions: Why in the world do the Lao youths have to be forced to fight for nothing and to die uselessly? Why do the authorities refuse to give any compensation for the lives or even to help organize the cremation of the youths who fought and died for them?

Clandestine Radio on Forced Rally Attendance

BK0408103790 (Clandestine) Radio Station of the Government for Liberation of the Lao Nation in Lao 0100 GMT 24 Jul 90

[Text] The new law on the people's court promulgated by the odious Kaysone regime [words indistinct] incorporated capital punishment. According to accounts given by the people and sources of the people's Armed Forces struggling for democracy in Laos, the new law and constitution of the odious Kaysone regime have been introduced to the people. In so doing, they force people to attend rallies to hear the reading of the law article by article. At the end of each article or clause, they will ask who disagrees with certain articles. Immediately, participants will unanimously reply: We agree, we agree, we agree. Subsequently, they take it for granted that the new law has been unanimously accepted by the people [words indistinct]. In fact [words indistinct] under the Stalinist regime, everything [passage indistinct] the red Lao [passage indistinct] under the old regime, exploitation, and suppression. The red Lao [passage indistinct]. Anyone who dares to voice his opposition will certainly have a nightmare and a chance to [passage indistinct] nobody knows.

Dear compatriots: Do you know who laid down such [words indistinct] a social order and measures. Vladimir Ilich Lenin was not that bad. But after his death on 21 January 1924, dictator Stalin laid down measures [words indistinct] for the Russians. During the 29-year period of

Stalinist rule, millions of Russians were killed. Stalinism [passage indistinct]. But they forgot that power without popular support will eventually [passage indistinct]. Stalin's notorious regime plunged Russia into poverty. They had weapons but nothing to eat. At present, the people in the entire world are aware of the true nature of Stalinism. Everyone is fed up with and is getting rid of Stalinism. However, some people in Laos, for example Kaysone Phomvihan, still cherish Stalinism. Since his coming up to power, Kaysone has been indulging in Stalinism. He does everything to keep himself in power, including allowing the red Vietnamese to completely rule the country. Whenever Kaysone is defeated by the Lao people's struggle, the Vietnamese military occupation will end. [Passage indistinct] used to suppress the people's Armed Forces including jails and reeducation camps [passage indistinct].

Dear compatriots: They cannot use capital punishment to scare us. The Lao people are not afraid [passage indistinct]. Take Romania as a good example. How strong was [passage indistinct] eventually were executed.

Philippines

Aquino Wants Base Talks Finished in Six Months

HK0708050790 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 7 Aug 90

[Text] President Aquino says she wants to finish within six months the Philippines and United States talks on military bases. The president told reporters that her government wanted the negotiation first day of last April [as heard] to resume either at the end of this month or early September. Mrs. Aquino said she had told Foreign Affairs Secretary Raul Manglapus, chief negotiator, she is anxious to see the talks finished, either by the end of this year or the beginning of January.

Rehabilitation Task Fcrce Agenda Outlined

HK0808080390 Manila BUSINESS WORLD in English 8 Aug 90 p 7

[By Anthony L. Cuaycong]

[Text] President Aquino yesterday signed into law Republic Act No. 6960, which appropriates P[Peso]10 billion for direct government utilization in rehabilitation efforts in areas affected by the July 16 killer quake.

In formally enacting the House-initiated measure into law, the Chief Executive underscored the need for the restoration of normalcy in quake-ravaged areas. "The passage of the law solidifies the rehabilitation and reconstruction program of Government in behalf of our fellow citizens whose misfortune it was to be in the earthquake's path. The appropriation will provide aid and relief services to our brothers affected by the tremors, and reconstruct government facilities and infrastructure."

In this connection, Mrs. Aquino revealed the creation of a six-man special Executive Committee, led by Cabinet Secretary Jose de Jesus, which will oversee relief efforts. "I have stressed to the Presidential Task Force the urgency of the task at hand, and have directed them to complete the work within six months to one year," Mrs. Aquino said, even as she enumerated the Task Force's agenda of:

—rebuilding roads, bridges, and other vital infrastructure, among them power, water, and irrigation facilities;
—instituting temporary means of livelihood and "emergency employment" for citizens of quake-affected areas;
—reinforcing social services; and
—restoring peace and order.

In the immediate term, the Task Force, as directed by Mrs. Aquino, is set to accelerate repairs on:

—the Sison, Calvo, and Mendoza Bridges in Pangasinan;
—the Magsaysay Bridge in Dagupan;
—the Manicla Bridge in San Jose;
—the Sicsican Bridge in Nueva Ecija;
—the San Jose-Santa Fe Road;
—the Naguilian Road;
—the Agoo-Baguio Road;
—the Halsema Road; and
—the Arita-Kayapa-Baguio Road.

These repairs will resume "the normal flow of people, commerce, and trade...in the areas they connect." Significantly, the Task Force has targetted the completion of the projects by October 8.

In this light, House Speaker Ramon Mitra announced before newsmen the creation of House monitoring committees to oversee the allocation of the P10-billion fund. The committees will help in "tracking down the flow of the money...and we are confident that the intended beneficiaries will be served," he said.

The committees' recommendations on the matter will be utilized during forthcoming hearings by the Lower House on Government's 1991 budget proposal. "We will have committees assigned to every single province affected, and (their reports) will be collated by the (House) committee on appropriations, headed by (Rep. Rolando) Andaya (of Camarines Sur).

"These (reports) will serve as one of the bases of the judgment of the Andaya committee on the respective performances of the various government line agencies," with said performance affecting the agencies' budget requests for the coming fiscal year, Mr. Mitra said.

RAM, MNLF, NPA Said To Plan New Coup

HK0808052590 Manila DIYARYO FILIPINO in Tagalog 8 Aug 90 p 8

[By Avic Balagtas and M. Cagurangan]

[Text] Communist rebels, Muslim secessionists, and the Reform the Armed Forces Movement [RAM] have joined forces in preparation for another coup d'etat.

This was announced yesterday by an official of the Young Officers' Union [YOU] who identified himself as Sergeant Hermes. According to him, the planned coup will be launched before the end of this year. This reportedly will be the "biggest operation" of RAM, with participation by 80 percent of the entire Armed Forces of the Philippines [AFP] and 20,000 enlisted men.

He added that 20 officials of the Presidential Security Group [PSG] have been recruited by the rightist extremist group. "President Aquino can no longer trust the people around her," Hermes said. "In this operation, no foreign powers will be able to intervene."

Hermes also said that although a number of the RAM leaders had been arrested, "we are confident that our new plan will succeed because we now have adequate forces."

According to him, the plan includes all commands of the AFP. The RAM has reportedly signed an agreement with them as well as with the New People's Army (NPA) and the Moro National Liberation Front (MNLF). The agreement is supported by professionals, doctors, academicians, and businessmen, he added.

However, observers expressed doubt about this anouncement by YOU, claiming that the three groups have different ideologies. "Ideologies are no longer important here," Hermes said. "The foremost goal of the NPA and MNLF is to topple the Aquino administration."

Hermes also maintained that the NPA has grown weary of its endless struggle. He said that once the coup succeeds, the NPA will be dismantled and its members given positions in the junta.

"First of all, the RAM and the communists share the same economic views," Hermes said. "We are planning to implement this kind of economic system."

He disclosed that the RAM is composed of five units, namely: Cobra, Guardian Foundation, Guardian Brotherhood, YOU, and Soldier of the Filipino People.

Department of National Defense (DND) Secretary Fidel Ramos expressed in an interview in Malacanang that rebel soldiers have lost the capability and opportunity to launch another coup in view of the huge crisis currently confronting the country. He said the destruction caused by the strong earthquake last 16 July and the current crisis in the Middle East could possibly deter those people with evil designs on the government.

"The sole aspiration of the people at present is to have peace, unity, and stability," Ramos added. According to Ramos, "no person in his right mind would give any kind of support to any coup attempt by the rebel soldiers."

Coup Plot Denied by YOU Officer

HK0808054390 Manila THE MANILA CHRONICLE in English 8 Aug 90 p 8

[By Manny Mogato]

[Text] A detained Army officer linked to the shadowy Young Officers Union [YOU] yesterday said YOU was not plotting any coup attempt against the Aquino government. Capt. Danilo Lim also denied YOU's involvement in a series of bombings and other terroristic activities that recently hit Metro Manila.

"Conventional or traditional coups are now passe," Lim, a West Point-trained Scout Ranger officer implicated in the aborted December coup, said. "The compelling necessity which Philippine conditions dictate is a nationalist revolution. Bombings and death threats do not create the revolutionary situation but they create an atmosphere of anarchy and violence which only aggravate the present situation."

Lim was interviewed by defense reporters at Camp Crame after a set of questions was smuggled into his detention cell last month. The 22-page question and answer document was released Monday night. He said rumors of coup attempts being plotted by Right-wing groups "could be orchestrated, fueled up and taken advantage of by mercenary forces out to grab power for themselves."

Defense Secretary Fidel Ramos also dismissed the reported coup, saying it could be the handiwork of a weakened rebel military group out to "project a semblance of strength." He said the rebel activities were "only meant to create a posture of strength by the weakened ultra-Rightists and their political supporters."

Persistent coup rumors had led to the imposition of full alert in three vital military facilities in Metro Manila over the weekend.

Government Prepared for Attempt

HK0808053990 Manila MANILA BULLETIN in English 8 Aug 90 p 8

[By Marcia Rodriguez]

[Text] Top military and defense officials assured yesterday the government's preparedness in the event of another coup as they undermined the capability of the "weakened" ultra-right movement to get any support from the people in view of more pressing concerns such as earthquake rehabilitation and the crisis in the Middle East.

Meanwhile, Malacanang said President Aquino will lead the joint anniversary celebration of the Philippine Constabulary-Integrated National Police [PC-INP] today at Camp Crame.

Defense Secretary Fidel Ramos said ultrarightists' attempt to launch destabilization moves last weekend "only meant to create a posture of strength again" although they are very much weakened. In Malacanang, Ramos said he believed that people are concerned with peace, order and stability instead of coups at a time like this, after a devastating earthquake and the tension in the Middle East due to the invasion of Kuwait by Iraq.

National Security Council (NSC) Director Rafael Ileto said though the distribution of rebel soldiers of handbills on another coup last weekend is part only of their "psy-war," the military went on the alert. Ileto noted, however, that these developments are no longer surprising as "there are a lot of abnormal things that have happened" to the military.

One of the "abnormal" events he referred to was the manifesto signed by the PC-INP deploring the Presidential Fact-Finding Committee's order stopping all investigations of the July 10 Magallanes shooting incident and seizure of heroin. But Ileto downplayed the manifesto, saying that the government will just disregard it. "They must follow orders," he said.

Even prior to this incident, he said that other "abnormal" occurrences have been happening such as the staging of demonstrations by the PC. "There are a few things that have been allowed. It cannot be made a big issue," he said.

Thailand

Reactions to Middle East Situation Reported

Praphat Leaves for Iran, UAE

BK0908010790 Bangkok BANGKOK POST in English 9 Aug 90 p 3

[Text] Deputy Foreign Minister Praphat Limpaphan yesterday left for a one-week visit to Iran and the United Arab Emirates [UAE] to discuss energy cooperation in light of the Iraq-Kuwait war. Mr Praphat told reporters that the trip, planned prior to the Iraqi occupation of Kuwait, was of great importance to Thailand because of concern for the country's energy supplies following the current situation in the Gulf.

The Deputy Foreign Minister leads a delegation of high-ranking officials from the Foreign and Defence Ministries as well as the National Security Council on the August 8-14 trip.

Mr Praphat will approach Iran for cooperation with Thailand in the energy field. Iran has plans to set up a large oil tank in the South. He will ask Iran to speed this up and increase oil imports from Iran. He will also pave the way for other economic and energy cooperation.

Thailand currently imports 50 percent of her oil from ASEAN countries, 22 percent from the UAE, two percent from Kuwait, 3.5 from Iraq and two percent from Iran.

Mr Praphat also said that the UAE is likely to become very important because it will be the economic centre of the Middle East in place of Kuwait.

The Cabinet gave approval for Mr Praphat to sign an agreement to set up a Thai-Iran joint commission for economic and academic cooperation. The delegation would be the highest-ranking from Thailand to visit Iran and the UAE.

Mr Praphat and his counterpart will negotiate long-term purchases of 100 percent Thai rice with Iran. The first purchase is to be for 200,000 tons of rice, part of it on a government-to-government basis and Thai private sector.

Mr Praphat will also brief Iran on the situation in the five southernmost provinces in an effort to establish understanding of Thailand's policy towards Thai Muslims.

Finance Minister 'Not Alarmed'

BK0808093990 Bangkok Army Television Channel 5 in Thai 1230 GMT 7 Aug 90

[Interview given by Finance Minister Pramuan Saphawasu to unidentified newsmen on the drop of share prices following Iraq's invasion of Kuwait; place and date not given—recorded]

[Text] [Pramuan] This is something we cannot prevent. However, I would like to ask the public to react carefully. The stock plunge occurred worldwide. Japanese shares also plummeted. We have to accept it. By the way, I have proposed some measures to cope with the situation. I gave the instruction this morning. I hope that the Securities Exchange of Thailand and brokers will work together to deal with the problem.

[Reporter] Will this serious plunge of share prices have effects on our national economy?

[Pramuan] Well, there might be ... but not in Thailand. Anyway, I still cannot think how the situation in foreign countries can affect Thailand.

[Reporter] I mean the effects on our share markets.

[Pramuan] From what we have studied, we are not alarmed at the situation at the moment. Therefore I would like to ask share holders not to dump their stocks. Otherwise they would regret it.

Daily Blames Arms Exporters

BK0808035190 Bangkok NAEO NA in Thai 7 Aug 90 p 5

[Editorial: "Mind Your Own Survival"]

[Text] The Iraqi invasion of Kuwait reflected several truths. First, it shows that both a man and a country alike will ignore their principles if one no longer has a conscience. The larger will persecute the smaller. And the method of persecution remains the same as it was in the stone age, that is, bloodletting and plundering.

Another truth is self-centeredness. Kuwait was a good ally in the Arab bloc. Yet, when it was crushed by Iraq, only a few Arab leaders protested. Others remained silent despite the fact that the Iraqi act was an outright aggression. The brotherhood they talk about at meetings has never been mentioned.

Another truth, and this is what small underdeveloped countries must note, is: The so-called sincerity the big powers talk about is just rhetoric. Deep down, they are self-centered and place their own interests above all others. They are criminals who can commit cold-blooded murder.

An example of this is the United States and the EEC freezing Iraqi and Kuwaiti assets. The move was meant to prevent any transfer of the disputing countries' assets in order to guarantee that the money will remain safe for further payments on weapons they bought from the powers.

The world powers manufacture weapons to sell to small countries. Those weapons, which are very costly, are used to kill people in underdeveloped countries. This trade is more dangerous than the narcotics trade. When a small country buys weapons, its neighbors will do the same thing. This makes weapons manufacturers richer while people in small countries risk being annihilated by the weapons they buy.

Thus, small countries are always victims of big countries. The wars in Korea, Vietnam, Cambodia, and Laos all attest to that. Only small countries suffer losses. Big countries, which are responsible for kindling the fire of war, only stay away from the scene of the fighting once things point in the desired direction.

U.S. 'Meddling' in Other Countries Viewed

BK0808041990 Bangkok SIAM RAT in Thai 7 Aug 90 p 16

[Editorial: "GI's Go To Battle"]

[Text] The United States is reputedly one of the world's major political interventionists. There is hardly any international dispute, be it in Latin America, Asia, the Middle East, Europe, or Africa, that the United States does not become involved in in one way or another.

In the latest incident, some 200 U.S. Marines landed in Liberia, a northern African country on the Atlantic coast, using the old excuse of "protecting U.S. interests." As far as Liberia is concerned, it is unlikely that there will be any problem because the Liberian population and national administrators have cultural, linguistic, and racial ties to the United States that date way back. It would not be wrong to say that Liberia is a piece of transplanted U.S. territory in Africa, because the Liberian population is made up of American negroes who went to Liberia after being freed from slavery. These former slaves, who remained attached to their birthplace or to where their ancestors originated, returned to their homeland and renamed it Liberia, which means liberty. For this reason, the Liberian population speaks the language that was spoken by American negro slaves and adopts the names and culture of its former masters. When it comes to the political and administrative system and even the flag, the Liberian system has been completely modeled after the U.S. way.

Therefore, it can be said that Liberia is a U.S. colony. Because it is located on a sea lane mostly traveled by merchant ships, Liberia has become a very important free-tax port much like Panama, where U.S. influence surpasses even that of the masters of the country. The U.S. influence was evident during its invasion of Panama, which was triggered by Noriega's defiance. Although Noriega was not caught red-handed for his narcotics crimes, he was sent to the United States as a convict anyway.

It appears that the United States has not paid great attention to the coup attempt in Liberia, which amounted to a power struggle among the Liberians. However, a closer look will reveal the extent of U.S. meddling. If the new Liberian Government happens to displease the United States, then the U.S. Marines, whose presence is ostensibly there to protect U.S. interests, will transform into a force to seize the country.

The United States registers its merchant ships in Liberia because, like Panama, it is a tax-free port. For Liberia to fall into the hands of individuals whom the United States does not like amounts to a loss of U.S. interests. But the situation in Liberia is not expected to drag on and should be regarded as a mere dispute between criminal gangs of American negroes.

On another front, the war between Iraq and Kuwait is proving to be a handful for the United States, whose mighty naval force in the Persian Gulf cannot afford to act impetuously.

Enriched by oil revenues, countries in the Middle East armed themselves with very modern weapons they bought from the United States, the Soviet Union, Europe, France, and China. If these weapons were to be deployed in a war, the whole region would be destroyed and the repercussions would be felt all over the world. At least 50 percent of the world oil supply would disappear.

A reason for the current reserved U.S. attitude is that the United States has learned from the Iran-Iraq war that it is better to let the warring opponents wear themselves down economically. The Caucasians want to let the Arabs worry about the current situation in the Middle East while they stay away.

U.S. Asked for Evacuation Help in Liberia

BK0908020690 Hong Kong AFP in English 2029 GMT 8 Aug 90

[Text] Bangkok, August 8 (AFP)—The Thai Government has asked the United States to help evacuate a handful of Thai workers from Liberia as the civil war in that country drags on, a well-placed Foreign Ministry source said Wednesday.

There are some 37 Thai workers in Liberia, most of whom work in car assembly plants and logging, while some others are involved in prostitution, the source said.

The Liberian civil war, which has lasted for more than six months, has prompted Thai Government concern over the security of Thai workers there as there is no Thai embassy in Monrovia. The evacuation will be conducted on a voluntary basis, the source said.

Joint Commercial Commission With U.S. Readied

BK3107014990 Bangkok BANGKOK POST in English 31 Jul 90 p 15

[Text] The US Trade Representative [USTR] is to sit on the planned Thai-US Joint Commercial Commission in an effort to help solve trade and investment conflicts. A Commerce Ministry official said yesterday the draft agreement establishing the commission was now waiting final approval.

Commerce Ministry Subin Pinkhayan and US Secretary of Commerce Robert Mosbacher are scheduled to sign the agreement in Bangkok this week. The official said the breakthrough came after Thailand succeeded in convincing Washington that all relevant agencies, especially the USTR, should be represented on the committee to better settle trade and investment disputes.

Thailand said the committee may fail to solve problems while the USTR is playing a key role in trade and investment issues on behalf of the US administration.

He said Thailand wanted to resolve certain problems and avoid pressure from the US after it threatened to exercise Section 301 of its Trade Act over such matters as the lack of intellectual property rights protection.

The USTR is currently playing a key role involving textiles, the Farm Act, subsidisation, anti-dumping and other trade matters. Thailand hopes the Thai-US Joint Commercial Committee will help discuss issues before they develop into disputes. The committee is also expected to help promote trade and investment ties between the two countries.

The formation of the committee was proposed by Prime Minister Chatchai Chunhawan at his meeting with President George Bush in Washington last month. The official said the agreement was due to be signed on August 3, with the committee due to meet for the first time shortly after to discuss those areas in deadlock such as intellectual property rights protection and textile trade.

Government Urged To Watch Air Talks With U.S.

BK0808043590 Bangkok BANGKOK POST in English 8 Aug 90 p 28

[Excerpts] Failure by Thailand and the United States to conclude a new bilateral air services agreement before October will seriously affect the country's trans-Pacific air freight services.

A top aviation industrialist yesterday urged the Government to closely monitor the air services agreement talks, particularly in view of the recent controversial performance of the Transport & Communications Ministry-led aviation team. Without close supervision from the Government, he said, the delegation could seriously jeopardise the country's growing tourist, export and transport industries—instead of promoting them.

The delegation was criticised for lacking understanding in the dynamics of these industries and, in the process, could obstruct Thailand's chance to become the regional cargo centre as stipulated in the Government's policy. The industry executive was referring to the Thai delegation's performances in the recent months during air services agreement talks with the United States.

Although, he said, Thailand must fight to obtain equal air traffic rights from the US, the delegation has not worked out an alternative plan to substitute for the loss of cargo space on the routes.

The cancellation of existing Thai-US air services agreement is expected to rob the country of some 44 percent of its freight capacity on trans-Pacific routes. [passage omitted]

The aviation executive explained yesterday that the Government should monitor the country's air talks to prevent possible damages to the growing economy of Thailand as a whole.

"Unreasonable and narrow points of view would not only hurt the country's tourism and exports but also the country's chance to compete against neighbouring countries as the aviation hub in the region," he said. He also said that with reduced air cargo space on the route many export-oriented industries, particularly those with Board of Investment promotional privileges, would be hurt.

Prompt air-cargo delivery to the US and other markets worldwide is particularly important for Thai subsidiaries of US hi-tech companies engaged in the assembly production of semiconductors and other electronic parts here. [passage omitted]

New Zealand Abandons Visa Plan for Thais

BK3007013590 Bangkok THE NATION in English 30 Jul 90 p 1

[Text] Jakarta—New Zealand has agreed not to reimpose visa requirements for Thai nationals travelling to the country, Thailand Foreign Minister Sitthi Sawetsila said here yesterday. Sitthi met New Zealand Foreign

Minister Mike Moore in a private dialogue session aiming at resolving a month-long controversy which threatened to strain relations between the two countries.

Sitthi said he agreed with his New Zealand counterpart that solutions should be sought for the pressing problems between the two countries by beefing up preventive measures on both the Thailand New Zealand sides. Last month New Zealand Immigration Minister Annette King proposed that Auckland reimpose visa requirements for Thai visitors in an attempt to fight prostitution, drugs and the spread of AIDS in New Zealand.

In 1987 New Zealand scrapped visas for citizens of Thailand, Malaysia, Singapore and Indonesia to promote tourism.

Sarot Chawannawirat, director-general of the ASEAN Department, said Thailand would increase the number of staff at its Consulate in Auckland while the New Zealand government would dispatch a team of officials to cooperate with Thai officials in Bangkok.

Alleged Kruze Mosque Rally Leader Arrested

BK3007015590 Bangkok BANGKOK POST in English 30 Jul 90 p 3

[Text] Narathiwat—Police have arrested a radical Muslim leader suspected in connection with the protest at the Kruze mosque in Pattani in which a senior police officer was assaulted early last month. Police said Abdul Rahman Yuso, alias Hayi Maeyuwa, 44, peacefully gave up to policemen who surrounded his house in Tambon Kia here on Saturday night.

Police claimed they found documents and leaflets in the Yawi dialect as well as audio and videotapes during a search of the house at about 10.30 p.m.

Abdul is one of 12 suspects being hunted by policemen in connection with the Kruze mosque rally. The 12 were wanted for alleged lese majeste, inciting unrest and demanding an autonomous state in Pattani during the June 2-3 rally.

Abdul was sent to Pattani police for questioning. Police have said they may issue arrest warrants for another eight suspects in connection with the case. One of the suspects still at large, radical Shiite leader Sorayut Sakunasantisat, is believed to be hiding somewhere in Yaha District of Yala Province or on the Thai-Malaysian border.

Government To Float Local Retail Oil Prices

BK0408040290 Bangkok BANGKOK POST in English 4 Aug 90 p 1

[Text] The National Energy Policy Committee yesterday approved a proposal to float local retail oil prices to reflect the global oil price situation. The new system will become effective once prime Minister Chatchai Chunhawan, who is chairman of the National Energy Policy Committee, gives his signature approving the change.

Under the proposal put forward by a sub-committee chaired by Deputy Prime Minister Pong Sarasin, the size of the Oil Fund will be used as the base in the setting of the retail prices. According to the agreement, the Oil Fund must be maintained at no less than 300 million baht, with the maximum at 1,500 million baht.

If world oil prices fall and the oil fund registers a surplus beyond the 1,500-million-baht mark, the extra income will be forwarded to the Finance Ministry in the form of excise tax.

An oil price reduction wil be announced as soon as the excise tax revenue from the sale of oil reaches the 47,000-million-baht mark. However, if the world oil prices rebound and the Oil Fund registers an outflow beyond the minimum rate of 300 million baht, the Government will have to draw its income from the excise tax revenue to help stabilise the retail prices.

If the excise tax income falls below the 39,000-million-baht mark, an increase in the retail oil prices will be announced. However, each reduction or increase of the retail oil prices will not exceed .30 baht per litre at a time.

Under the formula worked out by the committee, a reduction or increase in the retail prices will be put into effect once the world crude prices fall below US$16.2 a barrel or increase beyond US$18 a barrel. For example, if the world crude price falls to US$16 a barrel, the retail oil price will be cut by three satang a litre.

If the crude price falls to US$15 a barrel, the retail oil price then will be cut by 19 satang a barrel. If the crude price drops to US$14, US$13 and US$12 a barrel, the retail prices then will be likewise further reduced by 36 satang, 52 satang and 68 satang respectively.

If the crude price rises to US$19 a barrel, the retail price then will be increased by 24 satang a litre. Similarly, if the crude price further rises to US$20, US$21 and US$22, the retail price increases will be 40 satang, 56 satang and 72 satang respectively.

Minister Kon Thappharangsi of the Prime Minister's Office said yesterday that the committee's decision had nothing to do with Iraq's invasion of Kuwait, which caused a rise in the global oil prices.

Once the new pricing system was put into use, the adjustments in the local retail oil prices will be purely dictated by the world crude prices and be free of political interference, he said.

A committee will be soon formed to supervise the adjustments of the local retail prices. It will be chaired by national Economic and Social Development Board Chief Phisit Phakkasem and will comprise representatives from the Office of the Comptroller-General, the Finance

Ministry's Fiscal Policy Office, the Internal Trade Department, the Commercial Registration Department and the Interior Ministry.

The committee will have Mr Piyasawat Amaranan, director of the National Energy Policy Office, as its secretary. It will be responsible for adjusting the retail prices and informing relevant government agencies on the timing of the adjustments.

The Commercial Registration Department will be in charge of oil stock inspection while the Internal Trade Department and the Interior Ministry will be responsible for announcing the adjustments in Bangkok and in the provinces respectively.

Economic Growth Rate Reportedly To Continue

BK2807075290 Bangkok THE NATION in English 28 Jul 90 p 16

[Text] The Thai economy went into its fourth year of growth in the first-half of 1990 and all sectors, except agriculture, are expected to continue expanding at a high rate, according to a report by the Bangkok Bank's Research Department.

The total value of foreign trade during the first five months of this year totalled Bt [Baht] 551,800 million, an increase of 21.6 percent compared to 36.5 percent in the corresponding period of 1989.

During the same period, export value totalled Bt231,300 million, an increase of 16 percent, a decline from 34.3 percent recorded in the same period a year earlier. Exports of major agricultural products suffered declines due to contraction of demand in the world market.

Rice and tapioca in particular declined quite sharply in both volume and value. The six-month rice exports dropped 48.3 percent in volume and 44.2 percent in value.

Five-month export statistics for tapioca show drops of 23.4 percent in volume and 16.2 percent in value. However export performances of several industrial goods such as textiles, computers and parts, gems and jewellery, footwear, electrical appliances, sugar, leather products, electronic ball-bearings, and time pieces and parts, were satisfactory.

Imports were still expanding at a high rate, having increased by 26 percent to a total value of Bt320,300 million.

During the first two months, imports of consumer goods and capital goods increased by 45.9 percent and 33.6 percent respectively. Automobile imports increased markedly by 57.1 percent in value compared to 34 percent in the prior year. Imports of petroleum products increased 26.6 percent.

During the first five months, the trade deficit was a staggering Bt89,200 million, an increase of Bt34,200 million from the previous corresponding period. However, owing to high surpluses in the services and unrequited transfer account, the deficit in the current account was BT37,300 million.

Thailand's balance of payments position during the first five months of 1990 showed a surplus of Bt54.7 billion, compared with a surplus of Bt47.9 billion in the corresponding period of prior year.

Although the trade and current accounts suffered much larger deficits, net government and private capital movements increased substantially. In the private sector they totalled Bt91.5 billion, compared with Bt49.7 billion in the same period of prior year as there was a rush to bring in foreign funds before the interest withholding tax exemption period ended in February and due to the deregulation of foreign exchange controls at end-May.

Thailand's international reserves at end-May amounted to US$12,417 million, equivalent to about five months of imports.

During the first half of the year, the credit to deposit ratio of the commercial banking system was at 98.8 percent, approximating the 98.7 percent at the end of prior year.

The money market was quite liquid as commercial bank deposits substantially increased. This was due to a large amount of funds being brought into the country, especially in the period before the interest withholding tax exemption period ended and after Thailand's acceptance of Article 8 of the IMF Agreement, and the deregulation of foreign exchange controls on May 22, 1990.

Commercial bank deposits at end-June 1990 amountd to Bt1,303.4 billion, an increase of Bt177.9 billion or 15.8 percent over end December 1989 and of 31.3 percent over end-June 1989.

In the first half of 1990, commercial banks were keenly competing in bidding up deposit rates, as the Central Bank announced the rescinding of the interest ceiling on fixed deposits of three months to one year at mid-March and the upward adjustment of the ceiling on savings deposit rates on March 30, 1990.

Commercial bank credits at end-June 1990 amounted to Bt1,287.4 billion, an increase of Bt176.9 billion or 15.9 percent over end-December, and of 33.1 percent over end-June 1989.

In the first half of 1990, commercial banks were keenly competing in bidding up deposit rates, as the Central Bank announced the rescinding of the interest ceiling on fixed deposits of three months to one year at mid-March and the upward adjustment of the ceiling on savings deposit rates on March 30, 1990.

Commercial Bank credits at end-June 1990 amounted to Bt1,287.4 billion, an increase of Bt 176.9 billion or 15.9 percent over end-December, and of 33.1 per cent over end-June 1989.

Bank credits continued to rise at a high rate, although the Central Bank resorted to a more restrictive monetary policy. Such measures included the upward adjustment of the commercial bank lending rate, the reduction of the maximum O/D [overdraw] credit line for a client, and the Central Bank's requirement for commercial banks to submit credit plans, emphasizing an increase in lending to priority sectors and a slowdown in non-productive sectors such as land speculation, golf courses, luxury condominiums, entertainment businesses and personal consumption.

During the first nine months of fiscal 1990 (October 1989-June 1990) the government fiscal position was very strong, with revenue forwarded to the Treasury amounting to Bt279.9 billion, an increase of 25.1 per cent compared with the same period of prior fiscal year.

Expenditure was Bt229.0 billion, an increase of 17.8 per cent. As the budgetary surplus amounted to Bt50.9 billion, treasury reserves grew to a total of Bt91.2 billion, up Bt56.7 billion over the same period of prior year.

Government revenue during the first nine months of the fiscal year totalled Bt285.5 billion, a 27.0 per cent increase and 92.1 per cent of planned revenue for the whole fiscal year (Bt310 billion).

The Revenue Department collected a total of Bt129.5 billion an increase of 38.8 per cent, being higher than the planned figure of Bt126.8 billion. Corporate income tax totalled Bt33.4 billion, an increase of 50.5 per cent. Business tax and personal income tax continued to increase at a high rate of over 30 per cent.

The Customs Department collected a total of Bt66.1 billion, a 26.6 per cent increase compared with the 27.2 per cent increase during the same period of prior fiscal year. Import duties alone amounted to Bt65.2 billion, up 27.1 per cent.

The Excise Department collected total of Bt54.6 billion, accounting for 73 per cent of the planned figure, a 2.2 per cent increase compared with the same period of prior fiscal year. This was due to reductions in the oil tax in August and September last year and in January this year. Oil tax revenue totalled Bt24.3 billion, a decrease of 10.7 per cent.

Government expenditure during the first 9 months of the fiscal year totalled Bt229.0 billion, accounting for 68.4 per cent of the planned figure, up 17.8 per cent, compared with an increase of 10.8 per cent in prior fiscal year. Administrative expenses rose sharply due to an increase in government officials' salaries and large deferred payments from prior year. During the first half of this year, turnover in the securities market totalled 2.52 billion shares, valued at Bt305 billion, up 86.9 per cent and 1.5 times over the same period of 1989.

Trading early in the year was thin from time to time, especially in February and March. Trading value averaged Bt1,300 million daily due to unfavourable factors such as the upward adjustment of the ceiling on commercial loans, political conditions and the volatile Japanese stock market.

However trading bounced back as the dark clouds receded. Favourable factors included the extension of trading hours to three hours daily, the liberalization of the monetary policy and the deregulation of foreign exchange controls.

The market turned active with heavy trading in May through June. Trading value averaged Bt4,000 million daily. The index closed higher, rising from 879.2 points at end-December 1989 to 1,060.2 points at end-June 1990, the highest in the last fifteen years.

Vietnam

Hanoi Comments on Talks With U.S. on Cambodia

BK0908153290 Hanoi International Service in English 1100 GMT 9 Aug 90

[Station commentary]

[Text] Since U.S. Secretary of State James Baker declared the new U.S. policy toward Cambodia, the trend for the process for the settlement of the Cambodian issue has speeded up. Over the past years, since the Cambodian issue appeared, the world countries have never coordinated with each other in solving the Cambodian issue as in the past 10 days. The United States, Japan, Vietnam, and Thailand have carried out many activities to solve the differences in the settlement of the Cambodian issue.

The first formal talks between Hanoi and Washington in New York on August 6 to discuss the Cambodian issue was a fine initial step in solving this issue. At this meeting, the two sides focused their discussion on the main question of an overall political solution to the Cambodian issue, namely the guarantee of the Cambodian people's right to self-determination to free and fair elections, the restoration of peace, and the prevention of the Khmer Rouge return to power in Cambodia.

Meanwhile, the Japanese Foreign Ministry sent Mr. Amakawa, cultural minister of the Japanese Embassy in Bangkok, to Phnom Penh and Mr. Tadino, head of the Asia Department of the Japanese Foreign Ministry of Beijing. According to the Japanese Foreign Ministry, the two men were entrusted with the same task, that is to discuss with the host country the settlement of the Cambodian issue. Especially in China, Mr. Tadino has another obligation that is to urge China to stop its arms supply to the Khmer Rouge. Thai Prime Minister Chatchai Chunhawan said he would try to persuade China to stop its arms supply to the Khmer Rouge in his coming meeting with Chinese Premier Li Peng.

It is clear that not only the United States, but also Japan and Thailand are actively seeking for a solution to the Cambodian issue. Their actions have created favorable conditions for the process of settlement of the Cambodian issue. Therefore, this is a good opportunity for achieving an early solution to this issue.

It is regrettable that until now Democratic Kampuchea has no positive action to take advantage of this good opportunity. Mr. Sihanouk did not appoint (?six) members to the supreme national council of Cambodia. Meanwhile, his representatives called on China to defend the seat of Democratic Kampuchea at the United Nations. This action is outdated and running counter to the present tendency against the illegal occupation of the Cambodian seat at the United Nations by Democratic Kampuchea. This action of Mr. Sihanouk caused quite a few obstacles to the solving of the Cambodian issue. The good opportunity to solve this issue cannot last forever. If he fails to [words indistinct] the opportunity of resolving the Cambodian issue will slip away.

Lao Justice Minister Signs Cooperation Plan

BK0208161690 Hanoi VNA in English 1510 GMT 2 Aug 90

[Text] Hanoi VNA August 2—A delegation of the Lao Ministry of Justice led by its minister Kou Souvannamethi paid a working visit to Vietnam from July 17-31 at the invitation of the Vietnamese Ministry of Justice.

While in Vietnam, the delegation held talks with the host ministry. The two sides informed each other of the achievements recorded by the judiciary branch over the past three years, and exchanged experiences in dispensing justice and training law students in their respective countries.

The Lao delegation paid a floral tribute at the Ho Chi Minh Mausoleum and visited the late Vietnamese leader's residence and office and the Ho Chi Minh Museum. It had working sessions with the Supreme People's Organ of Control, the Supreme People's Court, the Hanoi Law College, the Hanoi justice service, and the Hanoi People's Court.

Vietnamese Justice Minister Phan Hien and his Lao counterpart signed a cooperation plan between the two ministries for the 1991-92 period.

Minister To Attend Child's Rights Conference

BK0508162990 Hanoi VNA in English 1452 GMT 5 Aug 90

[Text] Hanoi VNA August 5—A Vietnamese delegation led by Tran Hong Quan, minister of education and training, left here today to attend the Southeast Asian conference on the rights of the child to be opened in Thailand on August 7.

The conference, co-sponsored by the United Nations Children's Fund (UNICEF) and the host country, is planned to deal with measures for implementing the UN Convention on the Rights of the Child, to which Vietnam is the first in Asia and the second in the world to subscribe.

Vo Chi Cong Greets Bulgarian President

BK0308155990 Hanoi VNA in English 1500 GMT 3 Aug 90

[Text] Hanoi VNA English Aug 3—State Council President Vo Chi Cong today extended his congratulations to Zekio Zelev on his election as president of the People's Republic of Bulgaria.

The Vietnamese leader wished President Zekio Zelev good health and the friendship and cooperation between the two countries development.

Nguyen Co Thach Meets Australian Delegation

BK3007112890 Hanoi VNA in English 0744 GMT 30 Jul 90

[Text] Hanoi VNA July 30—Minute of cooperation between the Voice of Vietnam [VOV] and Radio Australia has been signed here by Phan Quang and Richard P. Broinowski, director general of the VOV and Radio Australia respectively.

Under the document, the two sides will exchange broadcasting programs on culture, education, sciences, and technologies as well as personnel working for the two radios.

It also provides that Radio Australia will help the Vietnamese side in technical equipment and personnel training.

The Radio Australia delegation paid a working visit to Vietnam from July 25-28. While here, it met with the VOV editorial board and leading officials of the Ministry of Culture, Information, Sports, and Tourism, and toured broacasting stations in Hanoi and Ho Chi Minh City.

On July 27, the Australian guests were received by Nguyen Co Thach, vice chairman of the Council of Ministers and foreign minister, who then granted an interview to Radio Australia.

Construction of Communications Network Begins

BK3007101590 Hanoi VNA in English 0729 GMT 30 Jul 90

[Text] Hanoi VNA July 30—The construction of a multiplex microwave communications network linking North and South Vietnam has started.

This Vietnamese-Soviet joint venture project has an investment of about 30 million rubles, 17 million U.S. dollars and 50 billion Vietnamese dong. When completed, the project will have 49 antennas erected along the sea coast from Hanoi to Ho Chi Minh City. Each antenna averages 128.33 meters in height and can stand winds of up to 12 degrees on the Beaufort scale.

This 1,000-channel communications network will enable the population to watch TV programs of all stations across the country. Moreover all central and local newspapers can be printed simultaneously in the main cities and direct phone calls made among those cities.

Hanoi Discusses Cooperation With Italian Port

BK3107080890 Hanoi VNA in English 0658 GMT 31 Jul 90

[Text] Hanoi VNA July 31—A document on the twinned relations and cooperation programme between Saigon harbour and the Italian port of the Triest has been signed in Ho Chi Minh City.

Under the document, the two sides will exchange information on business management, technical advances and services, with priority given to the supply of handling equipment, storages as well as conditions to promote the shipping of goods between the two ports and the establishment of join ventures on sea transport and handling of Vietnamese goods to be exported to European countries.

The Triest port will help its counterpart with information of management, personnel training and the development of communication network.

In the coming period, the Triest port will help Saigon harbour use its store houses and process Vietnamese products to be exported to Europe.

VNA Reports Foreign Aid to Ho Chi Minh City

BK0408134690 Hanoi VNA in English 0702 GMT 4 Aug 90

[Text] Hanoi VNA August 4—In the past one year, Ho Chi Minh City received aid worth over $5.5 million from more than 60 foreign organizations.

The donators included ten international organizations, more than 50 humanitarian organizations, associations and overseas Vietnamese. Most of the aid were used by the city's medical, scientific and technical establishments to expand cooperation, exchange of experiences and training, and to implement projects on primary healthcare, child nutrition, tropical diseases, city building, etc.

The city is going to set up an office specializing in receiving and distributing aid, and implementing aid projects.

Foreign Scientists Attend Agriculture Seminar

BK0408135290 Hanoi VNA in English 0655 GMT 4 Aug 90

[Text] Hanoi VNA August 4—A seminar on agricultural ecological research was held in Can Tho, capital of the Mekong delta province of Hau Giang, from July 18-31.

The seminar, co-sponsored by Can Tho University, the Agriculture and Forestry College of Ho Chi Minh City, the Southeast Asian Universities Network for Ecological Research, and the Europe-Asia Institute (EAPI) of the University of Hawaii, was attended by 104 scientists of seven countries, including Canada, China, Indonesia, Laos, Thailand, the United States and Vietnam.

The participants discussed ecological research methods which had been successfully applied in various parts of the world, especially in Asia, the role of man in agricultural ecology, the agricultural ecological research in the mid-land of Vietnam, and the relations between agricultural ecology and rural development, policies etc.

The seminar also organized field trips in surrounding districts to collect data for an economic strategy for Vietnam in the next decade.

Nguyen Khanh at Cadre Organization Conference

BK0208153590 Hanoi Domestic Service in Vietnamese 0500 GMT 30 Jul 90

[Text] The Governmental Cadre Organization Committee recently held a conference in Thu Dau Mot city of Song Be Province to discuss the implementation of Decision No. 135-HDBT of the Council of Ministers on the functions and tasks of the Governmental Cadre Organization Committee and to review the administrative organanization activities of the southern provinces in the first six months of 1990. Over 120 delegates in charge of administrative organization work belonging to 26 provinces, cities, and special zones from Quang Binh Province southward attended the conference.

The conference heard Comrade Phan Ngoc Tuong, head of the Governmental Cadre Organization Committee, present a draft circular of the committee which provides guidance for the implementation of Decision No. 135-HDBT of the Council of Ministers on the functions and tasks of the Governmental Cadre Organization Committee.

The conference also spent time discussing the tasks for the second half of 1990. As an immediate task, it is necessary to continue to satisfactorily carry out the task of rearranging the organizational apparatus from the central down to grass-roots level in a uniform fashion; establish working regulations in preparation for the party congresses at various levels; improve the working quality of organizational organs; respond in an increasingly better fashion to the guidance of the Council of Ministers as well as of various ministries and people's committees in many localities; and ensure organizational tasks for this year and the ensuing years.

Comrade Nguyen Khanh, member of the party Central Committee and vice chairman of the Council of Ministers, visited and addressed the conference on the tasks regarding administrative and state organization.

More on National Conference on Publication Work

BK0808054590 Hanoi Domestic Service in Vietnamese 2300 GMT 2 Aug 90

[Text] The party Central Committee's Ideological and Cultural Department and the Ministry of Culture, Information, Sports, and Tourism held a national conference on publication work in Hanoi from 31 July-3 August.

Attending were representatives of 29 central publishing houses and 23 local publishing houses, representatives of the propaganda-training sections of over 30 localities, and directors and deputy directors of the cultural and information offices of over 40 provinces, cities, and special zones in the country. Also present were representatives of a number of sectors having connections with the tasks of publication, printing, and dissemination; representatives of the offices of the party Central Committee and the Council of Ministers; representatives of many relevant branches and sectors at the central level; and representatives of many literary and artistic associations.

Comrade Tran Trong Tan, head of the party Central Committee's Ideological and Cultural Department; and Tran Hoan, minister of culture, information, sports, and tourism, presided over the conference.

The national conference on publication work was held at a time when the party Central Committee Secretariat was disseminating a directive on a number of issues in cultural and artistic work and another directive on the intensification of party leadership over the press and publication work. Therefore, the conference spent an important amount of time studying and getting to understand these two directives. At the same time, it also further discussed the Political Bureau's Resolution No. 05 on culture and arts, trying to clarify the question of party leadership over cultural and artistic work.

It is within this spirit that the conference scrupulously held various criticism and self-criticism sessions. Representatives of many publishing houses, including those with numerous past mistakes and shortcomings in this field, have frankly recalled their own mistakes and shortcomings. At the conference, a number of leading comrades responsible for publication work also frankly admitted their own shortcomings.

After many heated debates, during which there were over 40 suggestions made vocally and more than 100 people giving their opinions through suggestion sheets, the national conference on publication pointed out: Although there remain a number of mistakes and shortcomings, some of them serious, it is noted in general that the publication work sector in the past has been able to establish its position and has, in the process of its growth, contributed many valuable books to society to enrich mankind's cultural heritage and thereby, help improve research work and the cultural knowledge of the people.

However, the conference sternly criticized a number of publishing houses which—because of their tendency to belittle the importance of the political and ideological tasks and to focus on making a profit—have published a number of lousy, reactionary, and decadent works, thus running counter to our party lines and viewpoints. They have rampantly republished many translations of books and books that had been published in the south before 30 April 1975. These books have bad cultural and ethnic effects and have faced public condemnation. The current erroneous trends adopted by various publishing houses have produced a negative impact, creating an anarchic condition in book publishing in our country. Responsibility for these shortcomings should rest with the concerned ministry, the publishing houses, the party committees, and the local administrations involved.

The conference pointed out many measures and called for a unified solution to a host of important problems, ranging from authorship to book publication, printing, and dissemination.

The conference concentrated on discussing a series of key issues, such as toward whom the book publication is targeted and on what standpoint the orientation, structure, and goals of publication work should be based. It cited the reasons for various mistakes and shortcomings in publication work, clearly pointing out the responsibility of the head of the ministry, of the organ, and of each publishing house concerned.

The conference stressed the need to increase the responsibility of various publishing houses and to consider improving the knowledge of responsible cadres and editorial cadres in accordance with functions already specified by the state. Those publishing houses having no qualified cadres and financial conditions needed for performing their set functions should consider restructuring their operations.

Draft Law on Business Transactions Publicized

BK0208092590 Hanoi Domestic Service in Vietnamese 1100 GMT 28 Jul 90

[Text] The Office of the National Assembly and the Council of State on 28 July held a news conference in Hanoi to announce the draft law on business transactions, private business transactions, and joint stock companies. Attending the news conference were newsmen from mass media agencies at home and abroad.

Briefing newsmen on this draft law, Comrade Doan Do, director of the Central Economic Management Institution, said: The law on business transactions, private business transactions, and joint stock companies is aimed at mobilizing and effectively exploiting capital, the labor force, and natural resources of the nation;

creating more jobs for the workers, and improving the laboring people's daily life. It is also aimed at protecting the legitimate interests of the investors, ensuring state management over business activities of industrial establishments, and accelerating the development of multicomponent commodity-based production. The law is composed of 56 articles in six chapters.

To satisfactorily solicit the people's viewpoints on the draft law before submission to the upcoming Eighth National Assembly's eighth session, the Office of the National Assembly and the Council of State have invited mass societies and organizations, collectives, and individuals to contribute their ideas in letters addressing to the Office of the National Assembly and the Council of State at 35 Ngo Quyen Street, Hanoi, by 20 October 1990 at the latest.

Ministry on Rice Cultivation, Insect Infestation

BK0408120190 Hanoi Domestic Service in Vietnamese 2300 GMT 30 Jul 90

[Summary] "According to the Planning Office of the Ministry of Agriculture and Food Industry, as of 25 July all localities throughout the country had planted 10th-month rice on more than 1.568 million hectares or 57 percent of the planned area. The northern provinces alone accounted for over 1.16 million hectares, representing 88 percent of the planned norm and an increase of nearly four percent over the same period last year."

Along with planting 10th-month rice, the southern provinces have almost finished the harvesting of summer-fall rice.

In the north, the intensity of rice caseworms has grown rapidly on the early rice plantings. "In the delta and midland provinces, rice leaf beetles have ravaged more than 30,000 hectares of rice. In the central coastal provinces, paddy borers have inflicted widespread losses to large areas of rice. In the Mekong River delta provinces, brown planthoppers and white leafhoppers have damaged more than 26,000 hectares of summer-fall rice."

Meanwhile, newly-transplanted rice in many northern provinces has been affected by waterlogging due to rainfall, which was recorded at 80-200 mm during the past 10 days.

VNA Notes Increase in Agricultural Production

BK0608101490 Hanoi VNA in English 0659 GMT 6 Aug 90

[Text] Hanoi VNA August 6—In the first six months of this year, the farm produce processing service achieved 43.5 percent of its early plan or an increase of 10 percent over the corresponding period last year.

Considerable progress was made in the production of vegetables, cigarettes, tea, coffee and confectionary.

The service's export value rose to 173.6 million rubles and dollars [as received], up by 82 percent over the same period last year. The volume of the exports to Eastern Europe countries was twice as much as last year's corresponding period.

The service has contributed 140 billion V.N. [Vietnamese] dong to the state budget, up by 2.6 times over the same period last year.

Nghe Tinh Protects Rice From Waterlogging

BK0508163690 Hanoi Domestic Service in Vietnamese 2300 GMT 1 Aug 90

[Text] Recent torrential rains in Nghe Tinh Province have submerged 33,000 hectares of summer-fall rice, including 19,000 hectares seriously affected by flooding.

A number of flash flood control and anti-waterlogging projects have not yet performed efficiently and uniformly. The pace of water drainage by many reservoirs and dams has remained slow. The communication between a number of localities has been paralyzed.

Nghe Tinh Province has devoted manpower and materials to saving the summer-fall rice from waterlogging. More people have been mobilized to strengthen the two key dike systems along the left bank of the Lam River and the right bank of the La River to firmly protect the sea dike between the Dien Thanh and Ke Lang Vo areas, and so forth.

Rice Price Doubles in Ho Chi Minh City

BK0408105190 Hanoi Domestic Service in Vietnamese 2300 GMT 31 Jul 90

[Text] Since early July, the rice price in Ho Chi Minh City has increased unexpectedly. The price of a kilo of ordinary rice has now doubled since early June. The price increase has sent the price of some essential commodities spiralling. The reason for this is that many localities and units awarded with rice export contracts have rushed to the city to buy up all the rice available for export. This has given the people the impression that there is a scarcity of rice, thus prompting many families to buy rice to keep in reserve. On the other hand, due to the impact of various isolated cases of price increases since the beginning of the summer-fall crop, the price of rice paddies in various provinces has increased almost twofold over what it was during the winter-spring crop.

On 29 July, Comrade Dong Sy Nguyen, vice chairman of the Council of Ministers, held a working session with the standing members of the Ho Chi Minh City People's Committee, the Southern Grain General Corporation, and the Ministry of Agriculture and Food Industry to work out unified measures aimed at stabilizing the rice price in the city. Some measures worked out at the session are:

—Ho Chi Minh City and other relevant localities must strictly comply with the Council of Ministers' instruction that bans unauthorized units from coming to buy rice at the city under any forms.

—The market management sector must, together with the city grain corporation, exercise close control over the source of grain coming in and out of the city. The task of buying and selling grain must be placed under the responsibility of only one organ, that is the city grain corporation.

—In addition, the Ministry of Agriculture and Food Industry, the Southern Grain General Corporation, and the City Grain Corporation are also responsible for preparing money and means to buy a bulk of marketable grain from the summer-fall crop for export and to keep as a reserve.

Ha Nam Ninh Sends People to Economic Zones

BK0308155390 Hanoi Domestic Service in Vietnamese 1430 GMT 30 Jul 90

[Text] Over the first six months of the year, Ha Nam Ninh Province has sent 352 families—totaling 1,600 people including 810 workers—to build various new economic zones. Despite the fact its allocated operating fund could only meet 17 percent of its requirements, the Provincial Committee to Muster People for New Economic Zones has, in cooperation with those districts which have people going to new economic zones, satisfactorily prepared their recipient areas. Contracts have also been signed to ensure that the resettlers' lives are stabilized so they can engage in production.

More People Resettled in Kien Giang, Minh Hai

BK0108081490 Hanoi VNA in English 0700 GMT 1 Aug 90

[Text] Hanoi VNA August 1—In the first six months of this year, more than 1,500 households totalling 8,452 persons were resettled in new economic zones in the Long Xuyen Quadrangle and the Phu Quoc Island of the southwestern coastal province of Kien Giang and in the Ca Mau Peninsula of Minh Hai Province.

The central government has invested tens of billions of dong in building life-support projects and other public facilities in new economic zones in those provinces, making them liveable to the newcomers. In the second half of this year, Kien Giang plans to settle 3,500 more households with 15,000 persons in the Long Xuyen Quadrangle.

Seven refresher courses of training in export rice cultivation techniques were opened for 150 skilled peasants from various districts of the Mekong River Delta province of Dong Thap. The participants were also taken on brief visits to highly-successful rice-growing localities in the province.

Also in the first half of this year, the northern province of Ha Nam Ninh sent 352 households with 810 workhands to new economic zones in the province's coastal and mountain regions and in the northern coastal province of Quang Ninh.

More Leave Haiphong for New Economic Zones

BK0508163290 Hanoi Domestic Service in Vietnamese 0500 GMT 2 Aug 90

[Text] According to the newspaper HAI PHONG, over the past six months, in the framework of the new economic development program and in coordination with other localities, the labor and population redistribution section of Haiphong labor, war invalid, and social welfare services has organized the transportation and reception of people who leave for the new economic zones to engage in production and who build a new life. So far, 266 households comprising 900 people with more than 500 workhands have left for the new economic zones.

During the past five-month and spring crop season, the compatriot resettlers completed rice planting in 277 hectares of land and collected 670 tonnes of paddy. They also improved the conditions of reed-growing land to plant tobacco, pepper, and sandal-wood trees for export and put 72 hectares of water surface under aquaculture. So far, they have netted 40 tonnes of shrimp and fish.

TAP CHI CONG SAN Jul Issue Reviewed

BK0308032390 Hanoi Domestic Service in Vietnamese 1000 GMT 29 Jul 90

[Summary] TAP CHI CONG SAN begins its July issue by publishing Party General Secretary Nguyen Van Linh's speech at a meeting held by the Vietnam Journalists Association to mark Vietnam Press Day and the 65th founding anniversary of THANH NIEN, the first revolutionary paper in Vietnam.

This is followed by an article entitled "Resolutely Oppose Bureaucratism" by Professor Tran Trong Huu, a doctoral candidate in law. After analyzing the nature of bureaucratism and its adverse impact on all aspects of life and the revolutionary undertaking, the author recommends concrete measures for eliminating this social evil.

Next is an article entitled "Some Reflections on Banking Services and the Commodity Economy" by Van Thu, a doctoral candidate in economics. The article deals with a number of problems concerning banking services and the role of the banking sector and money in promoting the commodity economy.

In the "Socialism—Retrospect and Renewal" column, the journal carries an article entitled "Distribution of National Incomes During the Initial Stage of the Transitional Period in Vietnam" by Le Nhu Bach, a senior economics expert. After reviewing the initial results of economic reform and some serious shortcomings in the national income distribution system, the author introduces a number of basic principles that need to be observed in national income distribution during the initial stage of the transitional period.

In the "Research and Exchange" column, the journal carries the following:

—An article by Nguyen Van Huong entitled "Traditional Culture and National Development Strategy," dealing with the need to apply the strengths of Vietnam's traditional culture to national construction and defense.

—An article by Duong Thao entitled "Restructure the Economic System to Create More Employment Opportunities for the Laboring People," suggesting various ways to resolve the unemployment problem.

—An article by Bui Hien entitled "Writing and Writers' Honesty," dealing with the need for writers to heighten the sense of responsibility toward the nation and history by providing accurate reports based on facts instead of personal feelings.

Found in the "Opinions and Experiences" column are the following articles:

—Nguyen Hoang Thanh's article: "Improving the Money Circulation System," reviewing past performance of the banking sector and suggesting ways to improve money circulation and credit services in the days to come.

—Le Doan Vien's article: "Agriculture and Agricultural Development in Vietnam's Rural Areas," dealing with the important role of post-harvest work in the overall national economy.

—Nguyen Dinh Luan's article: "Some Opinions About Ways to Consolidate State Forests," stressing the need to apply uniform measures for accelerating the operations of state forests.

—Vo Tu Thanh's article: "Some Problems Concerning Organization and Cadre-Related Work at Present," analyzing causes leading to poor quality of organization and cadre-related work and proposing problem-solving methods.

—Dao Van Tien's article: "Renovating the Activities of the Biogical Sector," pointing to the particularly important role of the biological sector in other economic and cultural sectors at present and stressing the need to improve the training of cadres in charge of biological studies.

—Tran Huu Tin's article: "Fact-Finding Work Performed in the Light of the Renovation Undertaking," outlining fundamental conditions that need to be met in fact-finding work, including among other things, accuracy, objectivity, and conciseness.

—Huynh Van Thanh's article: "The Third Precinct Party Chapter's Efforts To Improve the People's Living Conditions."

In the "Activities and Reflections" column, the journal carries an article by Nguyen Duc Muu entitled "A Mandarin's House-Construction Project and a Cadre's House-Hunting Trip."

Appearing in the "Letters to the Editorial Staff" column is an article entitled "Readers' Comments and Contributions to the Journal."

In the "The World: Problems and Events" column, there is an article by Vu Hien entitled "A Lao Nation Full of Self-Confidence and Busy With Renovation Work," which introduces the great achievements of the fraternal Laotian people in the framework of the ongoing renovation process.

Also appearing in this column is an article by Nguyen Trong Thu entitled "Facts Behind Elections in Eastern Europe," which deals with the reactionary forces' perfidious schemes to undermine the socialist countries and reassert the invincibility of socialism.

Found in the "Through Foreign Publications" column is an article entitled "Socialist Democracy and People's Self-Management," compiled by Vu Tuyen based on documents published in a Soviet magazine.

Australia

Evans 'Outraged' at Iraqi 'Annexation' of Kuwait

BK0908115290 Hong Kong AFP in English 1035 GMT 9 Aug 90

[Excerpt] Dhaka, Aug 9 (AFP)—Australian Foreign Minister Gareth Evans said here Thursday that his country was distressed and outraged at the Iraqi annexation of Kuwait.

"We have joined other countries in condemning the act and have extended our support to the unprecedented United Nations sanctions against Iraq," he told a press conference at the end of his three-day official visit to Bangladesh. But Mr. Evans said it was "premature" for Australia to think about joining multi-national forces being sent to the Gulf in a bid to prevent an Iraqi invasion of Saudi Arabia. [passage omitted]

Treasurer Freezes Retail, Wholesale Gas Prices

BK0908063890 Hong Kong AFP in English 0613 GMT 9 Aug 90

[Text] Canberra, Aug 9 (AFP)—Australian Treasurer Paul Keating Thursday froze petrol prices for 21 days and ordered a government investigation into the pricing of petrol. Mr. Keating said in a statement he had acted because of concern that in raising petrol prices oil companies had taken "undue advantage" of developments in the Middle East.

"Oil refiners are not entitled to take advantage of Middle East developments and the inquiry will be charged in particular to look at margins and potential windfall profits on petrol and oil stockpiles," Mr. Keating said.

The Prices Surveillance Authority would conduct the inquiry into the supply and pricing of petrol at wholesale and retail outlets, he said.

Prices were frozen at the wholesale level and at oil company-owned service stations.

Since Iraq invaded Kuwait last week, petrol prices in some Sydney retail outlets have risen by about seven Australian cents a litre to more than 70 cents (56 U.S.) a litre.

Evans To Raise Democracy Issue in Bangladesh

BK0908074190 Melbourne Overseas Service in English 0500 GMT 9 Aug 90

[Text] Australia's foreign affairs minister, Senator Gareth Evans, says he will raise the issue of democracy and fundamental human rights in Bangladesh during a meeting today in Dhaka with President Hussain Mohammad Ershad.

Senator Evans said Bangladesh's internal political situation, the conduct of presidential election scheduled for next year, and the possibility of international observers would be on the agenda for the talks. The foreign minister has already met the leaders of the two major opposition parties in Bangladesh who both said their supporters would boycott the elections because of concern about the way they will be conducted. He said he will tell President Ershad that Australia hoped next year's elections would be held in an environment that would give everyone confidence both in Bangladesh and internationally that they were democratically conducted.

Fiji

Opposition Criticizes Australia, New Zealand

BK0908071290 Melbourne Overseas Service in English 0500 GMT 9 Aug 90

[Text] The leader of Fiji's opposition coalition, Kuini Bavadra, has again criticized New Zealand and Australia for softening their stance on Fiji's new constitution. Kuini says both countries appear to be sympathetic to Fiji's rulers whom she described as oppressive.

The prime ministers of Australia and New Zealand have both criticized the racist nature of the new constitution but advised the coalition to contest elections to be held under it. Kuini Bavadra said the coalition would stand by its decision to boycott elections under the new constitution because it would be immoral to take part. She said the new constitution was a form of oppression which should not be accepted or legitimized.

New Zealand

Palmer Announces Elections To Be Held 27 Oct

BK0908023090 Hong Kong AFP in English 0217 GMT 9 Aug 90

[Text] Wellington, Aug 9 (AFP)—New Zealand Prime Minister Geoffrey Palmer announced Thursday that the country would go to the polls on October 27. Mr. Palmer said after a party caucus meeting that the date had been decided upon after "a lot of discussion and planning."

Current opinion polls show his ruling Labour Party trailing far behind the opposition National Party.

A rumoured coup attempt by caucus against Mr. Palmer did not take place. "The caucus this morning raised no issue about leadership. I gave them a very firm message that I was not thinking of standing down. No one requested that I should," he said. "And indeed we had a very long discussion about the nature of the campaign, its themes and how we were going to fight them," he added.